

## HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 6, 1933

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D.D., offered the following prayer:

Heavenly Father, be gracious and bridge the chasm that separates us from communion with Thee. We turn in prayer to the throne room of the universe. Thou, who art touched with a feeling of our infirmities and yield to the feeblest cry of little children, accept our offering. O may our dreams and visions open a world of happy usefulness in the service of the people. Persuade us, blessed Lord, that in the sweep of time, success is the sweet, patient waiting for the will of God. Let hope revive beneath the dismal skies of our country and courageous faith discern the coming of better and brighter days. In the name of the Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

## ORDER OF BUSINESS

Mr. PARKER of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection?

Mr. SNELL. Reserving the right to object, let us see what the program is going to be. I will leave that to the majority leader.

Mr. BYRNS. To settle that, I ask unanimous consent, Mr. Speaker, that when the House adjourns today it adjourn to meet on Monday next. I do that for the reason that I am informed that the committees having bills under consideration and conducting hearings will not be ready to do more than to make a report between now and Monday, and it would be impossible to consider them between now and Monday.

Mr. BANKHEAD. If the gentleman from Tennessee will yield, what about the investigation by the Judiciary Committee of the Treadway resolution?

Mr. BYRNS. As I understand, the Judiciary Committee appointed a subcommittee to consider it, and the subcommittee was to make a report at 10 o'clock this morning. The gentleman from Tennessee is here, and perhaps he can give the information.

Mr. BROWNING. Unfortunately, I was obliged to be absent from the hearing this morning and could not give the gentleman the information. I do not know what final action was taken this morning.

Mr. O'CONNOR. Reserving the right to object, will the majority leader tell us, if the Judiciary Committee decides that the bill is not subject to a constitutional objection, is it intended to take up on Monday the Wagner bill?

Mr. BYRNS. It would be my idea, unless it was by agreement temporarily laid aside until a copy of the Wagner bill was reported from the committee.

Mr. SNELL. An exactly identical bill was introduced in the House and referred by the Speaker.

Mr. BYRNS. It seems to me that regardless of the report of the Judiciary Committee, if the farm mortgage bill and securities bill were ready for consideration Monday, the other bill could be withheld.

Mr. SNELL. It will not delay the program, whichever way the Judiciary Committee decides.

Mr. O'CONNOR. But to take up the Senate bill would save a little time, instead of starting at the other end and considering the House bill.

Mr. BYRNS. I think the House should dispose of the Treadway resolution before we consider either the Senate or the House bill.

Mr. O'CONNOR. Surely; but I mean if the Treadway resolution is held not defective by the Judiciary Committee, is it the intention to take the Wagner bill from the Speaker's table and consider it?

Mr. BYRNS. That will depend on the action of the House.

Mr. BANKHEAD. There is another matter, if the gentleman will yield. In the event that the Judiciary Committee—and I am making a guess, for I do not know what that committee will hold—if the committee holds that it is a revenue measure, then it seems to me the bill instead of going to the Banking and Currency Committee would have to go to the Ways and Means Committee.

Mr. SNELL. I want to say that the basis of my objection was not as to which committee should have charge of it but a question of a revenue measure, which should originate in the House of Representatives. It was not with reference to which committee should have charge of the bill.

Mr. BANKHEAD. The gentleman, then, would raise no point upon the matter of its reference?

Mr. SNELL. No; because that has nothing to do with the constitutional question.

Mr. O'CONNOR. Mr. Speaker, reserving the right to object, under the rules providing for what the Committee on Ways and Means has jurisdiction of, the bill would probably have to go to that committee, because, as I understand it, the rules provide that that committee has jurisdiction over bonded indebtedness.

Mr. SNELL. If the gentleman will look back at the history of that legislation, he will see that some of it has come from the Banking and Currency Committee and some from the Committee on Ways and Means. It is largely up to the Speaker of this House, and I think whatever committee he refers the bill to would be accepted by the House.

Mr. TREADWAY. Mr. Speaker, will the gentleman yield?

Mr. BYRNS. Yes.

Mr. TREADWAY. I fully agree with what the gentleman from New York [Mr. SNELL] has said. I took the matter up and presented the resolution from the viewpoint that the additional authorization for the Reconstruction Finance Corporation and its additional capitalization came from the Committee on Ways and Means. The Ways and Means Committee handled what was known at the time as the "Garner bill." The Speaker will recall that the Ways and Means Committee had that bill; and I assumed, and introduced my resolution with that in mind, that this further additional authorization would naturally bring about a Ways and Means reference.

Mr. SNELL. The gentleman knows that the original bill came from the Committee on Banking and Currency.

Mr. TREADWAY. There is no question about that.

Mr. McFADDEN. My recollection is that the Reconstruction Finance Corporation bill was handled by the Banking and Currency Committee.

Mr. SNELL. That is correct.

The SPEAKER. The Garner bill, which has been referred to, contained a direct tax. Is there objection to the request of the gentleman from Tennessee that when the House adjourns today it adjourn to meet on Monday next?

Mr. KVALE. Mr. Speaker, I reserve the right to object merely for the purpose of securing for the Record a statement from the majority leader that no good purpose would be served by remaining in session so far as advancing this important legislation is concerned.

Mr. BYRNS. None whatever, because the committees are not yet ready to report.

The SPEAKER. Is there objection?

There was no objection.

## LEAVE TO FILE REPORT ON H.R. 4590

Mr. JONES. Mr. Speaker, in view of the action just taken, I ask unanimous consent that the Committee on Agriculture have the privilege any day this week to file a report upon the bill (H.R. 4590), together with the minority views.

Mr. CLARKE of New York. I reserve the right to object, in order to make it clear that any member of the committee has the privilege of filing minority views if he differs from the chairman of the committee.

Mr. JONES. That is to be understood.

Mr. BLANTON. With the understanding that all reports be printed in the same document.

Mr. JONES. Yes.

The SPEAKER. Is there objection to the request of the gentleman from Texas that he have the remainder of the week in which to file a report upon the bill in question, minority views, if any, to be included at the same time?

There was no objection.

#### LEAVE TO ADDRESS THE HOUSE

The SPEAKER. The question now comes on the request of the gentleman from Georgia [Mr. PARKER] to address the House for 10 minutes.

Mr. SNELL. Mr. Speaker, I reserve the right to object to that unanimous consent, although I do not intend to do so. I want it understood that there is to be no further business brought before the House today. Of course, if the majority leader wants to keep people here to allow someone to talk, that is quite satisfactory to me, but it should be understood that no other business is to be brought up. Is that correct?

Mr. BYRNS. There will be no other business. As far as I am concerned, if gentlemen want to talk and others want to remain here to listen to them, I shall have no objection.

Mr. SNELL. I shall have no objection to that, but I want it understood that if one has something else to do he can do it.

The SPEAKER. Is there objection to the request of the gentleman from Georgia that he be permitted to address the House for 10 minutes?

There was no objection.

Mr. PARKER of Georgia. Mr. Speaker, for the past 2 years or longer, Dr. Charles Holmes Herty, a noted scientist who was born in Milledgeville, Ga., the home of the dean of the Georgia delegation in the House of Representatives, the Honorable CARL VINSON, has been experimenting in the production of paper from Georgia pines. The people of my State have been greatly concerned as to what degree of success Dr. Herty might achieve in this important undertaking.

It is with great pride that I am able at this time to state to the Congress that Dr. Herty has been able to produce a very fine grade of paper from slash-pine trees in the congressional district of Georgia that I have the honor to represent in this body.

I hold in my hand a copy of the Soperton News, a weekly newspaper published at Soperton, Ga., in Treutlen County, one of the counties of the First District of Georgia, on Friday, March 31, 1933. This edition of the Soperton News is the first newspaper ever to be printed on paper made from pine trees. The slash-pine trees from which the paper used in this issue of the Soperton News was made were grown in Treutlen County, Ga. The paper itself was made by Dr. Herty, in his Georgia paper laboratory at Savannah, Ga., the outstanding city of my congressional district.

I am of the opinion that the success achieved by Dr. Herty in this matter is worthy of note and that the people, not only of Georgia but of the entire United States, will be greatly interested in knowing of Dr. Herty's scientific accomplishments.

The members of the newspaper fraternity throughout the country, in all probability, will be interested in knowing that the editor and publisher of the Soperton News is Mr. H. M. Flanders, one of my constituents. His interest in this matter and the splendid cooperation that he has given to Dr. Herty and others who have worked so diligently to bring about the desired results from the experiments that I have referred to are worthy of note, and I am sure Mr. Flanders should receive a portion of the commendation that all interested parties are entitled to in the premises.

I might add in passing that Mr. James Fowler, of Soperton, Ga., is the world's largest slash-pine grower. Mr. Fowler has planted, since 1926, 1,500,000 slash-pine seedlings. These trees were planted on land where there were no seed trees for natural seeding and on lands on which he had formerly grown corn and cotton at a loss. Mr. Fowler is

the largest individual landowner in Treutlen County. He has 7,000 acres of forest lands, with a good stand of slash-pine timber, and by 1935 he expects to begin using for turpentine purposes several hundred acres of his planted trees. By so doing he can increase his turpentine operations from his present 20 crops to 40 crops, with an unlimited amount of timber available for an indefinite period. I am told that slash-pine trees are available for making newsprint after they reach the age of 7 years. Mr. Fowler states to the people of Georgia that it pays to grow and protect young trees.

Mr. J. E. Parker, Jr., who is secretary-treasurer of the Long County T.P.O., has thinned 1,300 acres of young slash timber during the last 6 weeks. Long County is also one of the counties represented by me in the Congress of the United States. Some of the timber thinned is very young, not over 3 years old, and brush hooks were used, which made the cost of the thinning operation quite low. Timber which averaged about 10 years old was thinned to a 10 by 10 spacing, and will now stand for 4 more years before another thinning will be necessary. The cost of thinning in 10-year-old slash pine, according to Mr. Parker, is only \$1 per acre. The Parker-Howard Turpentine Co. has a perfect stand of young slash pines on 9,000 acres of land at this time.

I feel justified at this time in asking unanimous consent of the House to extend my remarks in the RECORD and to include therewith a very short editorial from the Soperton News of Friday, March 31, 1933, describing the pine trees from which the paper was made on which the newspaper that I hold in my hand was printed, also a short news story with reference to this matter printed in the Macon Telegraph on April 4, 1933.

The SPEAKER. Is there objection.

There was no objection.

The matter referred to follows:

[From the Soperton News, Friday, Mar. 31, 1933]

#### NEWSPAPER MADE FROM PINE TREES

You are now reading the first newspaper ever printed on newsprint made from pine trees. This newsprint was made at the Georgia experimental pulp and paper plant at Savannah from pine trees grown by Mr. James Fowler, of Soperton.

The slash pine trees from which this paper was made were planted in 1926 and when cut a few days ago averaged 12 feet in length cut off at top 4 inches in diameter and averaged 7 inches in diameter 1 foot from the ground. The trees averaged 110 pounds each, growing 440 pines to the acre, which will make 48,400 pounds, or a little over 24 tons of pulpwood per acre in a period of 7 years.

Dr. C. H. Herty, noted chemist, has been experimenting with pine trees for making newsprint for several years and has at last reached a stage of perfection in his research work as is evidenced by the paper before your eyes.

This issue of the News is dedicated to more and better forestry for Treutlen County, for the State of Georgia, and for the United States.

We are deeply indebted to Dr. C. H. Herty, of Savannah; Mr. Jack Thurmond, district forester, of Savannah; and Mr. James Fowler, together with others, who have contributed toward making this issue of the News what it is.

The Georgia farmer is destined to come into his own through reforestation if he only has the vision to make the best of the opportunities that are before him in growing pine trees. The newsprint industry will continue to grow, and the time is not far distant when papers will be using newsprint made from Georgia pines.

Utilize every available acre on your farms for growing pine trees. A farmer can make no better investment.

Farmers should use every precaution to keep fires out of their forest lands. Fires do untold damage to young trees, and millions of dollars damage is done yearly through careless fires.

The wise farmer will not burn his woods, for in doing so he is burning real profits.

[From the Macon Telegraph, Apr. 4, 1933]

#### PINE-TREE PAPER USED FOR EDITION OF SOPERTON NEWS

SAVANNAH, GA., April 3.—Dr. Charles H. Herty's dream has come to pass—they have printed a newspaper on paper made of Georgia pine pulp.

The Soperton (Ga.) News claims the distinction of being first to issue an edition with the newsprint produced by the Georgia paper laboratory in Savannah where Dr. Herty, famous American scientist, has been making experiments for months.

Printers said the paper "took the ink" as well as other newsprint and some said "it showed up a little better." Copies were sent President Roosevelt because of his interest in forestry.

The pulp was made from slash-pine trees only 7 years old which were grown by James Fowler, of Soperton.



The laboratory is continuing experiments despite Governor Talmadge's recent veto of a \$20,000 appropriation by the Georgia Legislature. Leading newsprint manufacturers of the United States and Canada are due to come here next month to inspect the plant.

Mr. KELLER. Will the gentleman yield?

Mr. PARKER of Georgia. I yield.

Mr. KELLER. I suggest to the gentleman that since that is the first newspaper to be printed on paper made from pine timber, the paper ought to go to the proper place for preservation. I suggest the Library of Congress as the proper place.

Mr. PARKER of Georgia. I think the gentleman's suggestion is a good one. I shall be glad to pass the paper around and let the Membership of the House see it, and I also should be glad to have it preserved. I thank the gentleman for his suggestion; and I hope the paper can be preserved, for its historical value, in the Library of Congress.

The SPEAKER. The time of the gentleman from Georgia has expired.

#### EXPENDITURES IN THE POST OFFICE DEPARTMENT

Mr. SABATH, from the Committee on Rules, presented the following privileged resolution (H.Res. 98) for printing under the rule:

##### House Resolution 98

Resolved, That immediately upon the adoption of this resolution the House shall proceed to the consideration of H.Res. 59, and all points of order against said resolution shall be considered as waived. That after general debate, which shall be confined to the resolution and shall continue not to exceed 30 minutes, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Post Office and Post Roads, the previous question shall be considered as ordered on the resolution to its adoption or rejection.

#### INTEREST ON THE PUBLIC DEBT

Mr. PARSONS. Mr. Speaker, I ask unanimous consent to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. PARSONS]?

There was no objection.

Mr. PARSONS. Mr. Speaker, I was very much interested in the address delivered by the gentleman from Ohio [Mr. FRESINGER] on yesterday with reference to the raising of the price levels. At that time I sought recognition, because what I am going to say today is along the line of economy and reducing our interest charge in conformity with the present price levels.

Since the 9th day of March when the Congress was called into special session by President Roosevelt, we have enacted into law some of the most constructive and far-reaching bills for the purpose of economizing in governmental expenses and balancing the Budget. It is hardly believable that so much economy could be achieved in so short a space of time. The rules and regulations governing salary reductions for Government workers and for reduction and elimination of veterans' benefits totaling more than \$600,000,000 has been agreed upon and published to the world. Whether we like it or not, whether it takes benefits from our constituents or whether it takes away Government functions or not, has played no part in the action of Congress. The Members of the House and Senate have been bold and patriotic in their support thus far of the President's program. Those whose salaries were diminished, the veterans and veteran organizations whose benefits have been reduced or eliminated, have until this present hour cooperated patriotically in support of the President's program in balancing the Budget. There has never been a day in peace time that the American people have cooperated so courageously as they have in the present crisis, which surpasses almost the patriotism of war. I wish to congratulate the people of the country upon the splendid response they have made to the President's call for action. No President since Washington has exerted more influence on the people than that champion of progressive principles, Franklin D. Roosevelt.

But, Mr. Speaker, there is another part of the Budget where huge savings and economies can be effected. So far

to date those in charge of the economy program and the newspapers of the country have not mentioned that feature of the Budget. I rise today to call attention to one of the largest items left in the Federal Budget—one for the present moment that seems to have been forgotten. We have heard a great deal about the three fourths to one billion dollars paid to the veterans. The National Economy League has proclaimed Veterans' Administration expenses to the four corners of the earth. I want to know now how the National Economy League and the public press of the country are going to accept a reduction in the item which I am about to mention—the interest charge on the public debt of the United States. [Applause.]

Mr. Speaker, the interest on the public debt, varying in interest rates from about one third of 1 percent to 4 1/4 percent, amounts to about \$700,000,000 annually. The largest item of this interest was made necessary by floating bonds to win the World War. It was incurred at the same time we mobilized 4,000,000 men and sent 2,000,000 of them to foreign shores, the same men whose benefits, gratuities, and pensions were reduced and taken away last week in the economy bill. Yea, we even conscripted those men to take them into that titanic struggle, but we did not conscript any wealth to win that war. There was plenty of profit in the bonds that were floated by the millions in every hamlet and township in the United States, but there was no profit to be made by the individual soldier who braved the dangers of exposure and combat in the front-line trenches.

Although we have economized by taking from those that labor and have labored, by taking from those who are disabled and will be disabled, we have not taken one solitary cent from the interest charges on the bonds that are now, 15 years after the war, held by a comparatively few people that own and control four fifths of the wealth of the Nation.

There has been considerable discussion in recent days about pre-war prices. You see the products of the farm and the wage scale in many places down to and even lower than pre-war days.

What was the rate of interest paid on Government bonds in pre-war times? Except a small issue of Panama consol bonds, bearing 3 percent, the interest on bonds was 2 percent.

If interest on Government bonds in pre-war days was sufficient at 2 percent, then in the crying hour of need in this crisis, for economy to balance the Budget, Congress is justified in reducing the interest on every bond held against the Federal Government to 2 percent. [Applause.]

Mr. Speaker, I have prepared a table showing the amount of bonds outstanding, the annual interest, and the savings that would be effected at the rate of 2 percent if the entire national debt were rewritten and refunded at this time, and I ask unanimous consent to include it in my remarks at this point.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The table referred to is as follows:

Bonds	Amount outstanding	Annual interest	Savings at 2 percent	Loss at 2 percent
Consols and Panama Canal bonds.....	\$753,320,130	\$15,853,347	\$786,945	-----
Postal-savings bonds.....	43,453,360	1,086,334	217,768	-----
First Liberty Loan.....	1,933,213,000	71,707,362	33,043,090	-----
Fourth Liberty Loan.....	6,268,099,450	266,394,226	141,032,237	-----
Treasury bonds.....	5,224,883,950	186,367,231	81,869,552	-----
Treasury notes.....	3,074,531,600	87,648,634	28,000,348	-----
Retirement bonds.....	224,244,000	8,969,760	4,484,880	-----
Certificates of indebtedness.....	1,773,989,100	38,607,611	11,562,521	-----
Treasury notes.....	1,025,593,000	14,380,927	-----	\$14,563,823
Total.....	20,321,238,190	691,015,432	301,597,341	-----
Less loss at 2 percent.....	-----	-----	14,563,823	-----
Net saving to Budget.....	-----	-----	287,033,518	-----

Mr. HARLAN. Mr. Speaker, will the gentleman yield?

Mr. PARSONS. I yield.

Mr. HARLAN. In view of the fact that our short-term bonds, which were just recently sold and which ordinarily

would carry a very much lower rate than the regular bonds, had to bear about 4 percent interest or a little more in order to be sold at all on the market, how does the gentleman feel that our regular bond issues could be marketed at par with a 2-percent interest charge? How could we compel people to buy them?

Mr. PARSONS. We would simply exchange new bonds for those which are outstanding at the present time. We have forced a reduction in every other occupation and profession and every other part of the Budget. Why are we not justified in forcing a reduction in the interest rate? The gentleman is mistaken about short-time loans bearing 4 percent. These loans only bear from 0.34 to a little over 1 percent.

Mr. HARLAN. I am not questioning the justice of it. I am questioning the feasibility of it. The people who now hold those bonds are entitled to the receipt of money when the bonds are retired. They cannot be compelled to take 2-percent bonds; and if the market would not justify the purchase of Government bonds at 2 percent at par, how could people be compelled to take them? I am in sympathy with the gentleman, but I am just asking the question as a practical proposition.

Mr. PARSONS. At the present price levels interest at  $4\frac{1}{4}$  percent upon the fourth Liberty Loan bonds outstanding is equivalent now to almost 9 percent, at least 8 percent, compared with what pre-war prices were. There is no justification whatsoever why we should not have a reduction in the interest rates. Furthermore, Treasury notes are being sold every few months at rates ranging from 0.34 to 1.43 percent. The public will take the bonds.

Mr. MARTIN of Oregon. Will the gentleman yield?

Mr. PARSONS. I yield.

Mr. MARTIN of Oregon. Would the gentleman call upon all people who now own bonds to turn them in, or direct them to turn them in and take 2-percent bonds in their place?

Mr. PARSONS. I am willing to support such a measure and ask the patriotic cooperation of the holders of the bonds; and if they fail to respond, then use just a little pressure to put it over. [Applause.]

Mr. MARTIN of Oregon. But we have a Supreme Court in this country. How about the validity of contracts?

Mr. PARSONS. We will get to that in a minute.

Mr. MARTIN of Oregon. I am very anxious to see how that will be handled.

Mr. PARSONS. I will say to the gentleman in passing there would be no impairment to the capital structure. The principal of the bond remains the same, which is the contract between the Government and bondholder. We hire money, just as we do individuals. We would only be reducing the compensation for money, just as we reduce compensation for labor. It is identical in principle, except that human rights are, and of right ought to be, paramount to property rights.

If the entire Federal debt, amounting to almost \$21,000,000,000, was refunded in the next 90 days at the rate of 2 percent, we would have a reduction in interest charges and a reduction in the Budget expenditures of \$287,000,000.

I believe in economy, I believe in balancing the Budget, but I do not believe in taking all of these savings from one group. Congress has taken the wages of the Government worker; it has taken the pensions, gratuities, and benefits to veterans, their widows and orphans. We are about to, I am informed, cut deeper into the Budget on expenditures, all of which I am glad and willing to support; but, Mr. Speaker, those 75,000,000 people who are affected by these economies, who have cooperated so courageously with Congress and the President's program, will not be contented and happy and stand idly by while the few other millions of our population continue to draw excessive interest on the bonds they hold against the Federal Government.

To preserve civilization and the sacred traditions, which our forefathers handed down to us, the Nation has been willing to conscript human labor. Our people are willing today, as millions have been willing in the past, to dedi-

cate their labor and lifeblood, if needs be, to the perpetuity of this Republic, not only in time of war, but in time of peace; but at the same time, Mr. Speaker, I am still more willing to conscript the wealth and the interest rates of the bondholders of this country to balance the Budget in a crisis like this.

Salary reductions effect economies to the amount of \$175,000,000; reduction in veterans' benefits, \$425,000,000. It is estimated \$150,000,000 more will be saved by consolidation of the various bureaus in the Government. If we reduce interest \$287,000,000, the total reduction of the Budget will be \$1,037,000,000. This is a saving never dreamed of, even by the most ardent proponents of economy; but, Mr. Speaker, we cannot make these reductions as they have been made and expect the American people to continue to support the program unless \$287,000,000 is accomplished in reduction of interest. If you say that 2 percent interest is not sufficient on tax-free Government bonds and that, if the cost of living goes up, we must necessarily raise the rate of interest, I say to you that for the next few years, at least, this rate can be established, thereby balancing the Budget and making sure the bonds will sell at par; and if in the future interest rates generally rise, refunding operations can be made accordingly with a higher rate of interest.

Arkansas the other day, owing \$148,000,000 worth of road bonds, bearing a rate of interest of 5 and  $5\frac{1}{2}$  percent, refunded their debt on a basis of 3 percent and issued a warning to the holders thereof that no further interest would be paid upon the old bonds outstanding. Oh, you may argue, Mr. Speaker, that such action is an impairment of contract, that it is a defalcation in payment; but I submit that every dollar of pension and gratuity that was taken from the veterans, their widows and orphans, was an impairment of contract and defalcation in principle on the part of the Government, on the contract with veterans made by the laws passed by this Congress.

If the State of Arkansas through its legislature can reduce its interest on bonds to 3 percent, why under heaven cannot the Congress of the United States float the bonds of the Federal Government at 2 percent? Let us say to every holder of a Government bond that if you want to hold the present one and receive no interest, well and good; but if you surrender it in exchange for a bond bearing 2 percent, this Government will guarantee you 2 percent on the investment. I plead with the Membership of this House to give careful consideration to this proposal. I implore the President of the United States and those associated with him in this emergency to give just and earnest consideration to this matter before it is too late. By taking action now our entire debt can be rewritten to take effect on July 1, simultaneously with other economy measures.

I hold in my hand an article from the Washington Star of a few days ago with reference to 91-day Treasury bills of approximately \$100,000,000 that were almost four times oversubscribed. While these were only 91-day Treasury bills, the rate of interest for one year is only ninety-nine one hundredths of 1 percent. Last December \$100,000,000 of 90-day Treasury bills were floated for eighty-five one hundredths of 1 percent.

I read the article for your information:

#### 91-DAY TREASURY BILLS ARE OVERSUBSCRIBED

The Treasury Department announced last night that subscriptions totaling \$383,656,000 have been received for the \$100,000,000 of 91-day Treasury bills, which will be sold tomorrow.

Secretary Woodin said the average price for the bills was 99.659, equivalent to a bank discount basis of about 1.35 percent. He said the total amount of bids accepted was \$100,096,000.

The highest bid was 99.750, equivalent to an interest rate of about 0.99 percent on an annual basis, while the lowest bid accepted was 99.630, equivalent to an interest rate of about 1.46 percent.

Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.



Mr. PARSONS. These Treasury certificates were issued in December at a yearly interest rate of thirty-four one hundredths of 1 percent. Here is one individual, let us say, who furnished the Government \$1,000 for \$3.40 a year, or \$100 for 34 cents a year; yet right beside him is the holder of a 4¼ percent Liberty loan bond of the Government who receives \$42.50 for a \$1,000 bond, or \$4.25 for \$100. There is no justification whatsoever for the inequality in interest rates paid, and there is no justification in continuing the interest rates at 3½ and 4¼ percent when money can be borrowed for thirty-four one hundredths of 1 percent a year.

Mr. HART. Mr. Speaker, will the gentleman yield?

Mr. PARSONS. I yield.

Mr. HART. Is the gentleman aware that the Government has loaned the farmers of the Nation \$16,000,000,000 on a 10-year basis at one eighth of 1 percent?

Mr. PARSONS. I did not know of that fact, but I know the interest rates in many instances are extremely low.

Prior to the war, when prices were higher even than they are today, there was not a single outstanding Government bond, except a small issue floated in 1906 to complete the Panama Canal, that bore more than 2 percent annual interest.

Mr. HART. Does the gentleman also know that one subsidiary of the Farm Board has borrowed money at that rate and purchased Government bonds bearing 4 percent interest, and are making a profit out of the Government?

Mr. PARSONS. No doubt they can do that under the Farm Board Act. Such practices ought to be stopped. It is a subsidy to those who are in on the deal and cannot be defended.

Since the beginning of the special session we have been following the leadership of the President. It is time that Congress assume responsibility and make some economies of its own. The Ways and Means Committee is the proper one to report this kind of legislation. We are soon to float more bonds—probably several billion before the depression is over. Are we to continue to pay exorbitant rates of interest, or is Congress going to assert its power to bring about a reduction in interest? I hope the Ways and Means Committee will assert its right to report such a measure at an early date. It will have almost the unanimous support of the Membership of this House; and if we send such a measure to the White House, I earnestly believe the President will approve it.

Mr. DOUGHTON. Mr. Speaker, will the gentleman yield?

Mr. PARSONS. I yield to the distinguished chairman of the Ways and Means Committee, the delightful gentleman from North Carolina.

Mr. DOUGHTON. I just came into the Chamber and heard the gentleman mention the Ways and Means Committee. I am interested in knowing what is intended to be referred to it.

Mr. PARSONS. I have been addressing myself to the question of reducing the rate of interest on Government bonds, a matter that comes before the gentleman's committee.

Mr. DOUGHTON. Has such a bill been referred to the Committee on Ways and Means?

Mr. PARSONS. None has been introduced.

Mr. DOUGHTON. Does the gentleman contemplate introducing such a measure?

Mr. PARSONS. I am asking the Ways and Means Committee to take the matter up and get busy with it.

Mr. DOUGHTON. The gentleman has not introduced such a bill.

Mr. PARSONS. I have not; but if no member of the Committee on Ways and Means, whose duty it is to act first, introduces such a bill within the next 10 days, I expect to prepare one and ask the committee for action.

Mr. JOHNSON of Texas. Mr. Speaker, will the gentleman yield?

Mr. PARSONS. I yield.

Mr. JOHNSON of Texas. Can the gentleman inform the House the amount of savings that might be expected as the result of such legislation?

Mr. PARSONS. It would amount to something like \$287,-000,000 annually.

Mr. JOHNSON of Texas. And the bonds will be refinanced at what rate of interest?

Mr. PARSONS. Two percent. Some of the issues outstanding are: One issue of consols and Panama consols bear 2 and 3 percent and serve as reserve for issue of national-bank currency. These would not be disturbed under this plan.

The postal savings pays 2½ percent. The first Liberty Loans vary from 3½ to 4¼ percent. The fourth Liberty Loan bears 4¼ percent. The Treasury bonds vary from 3 to 4¼ percent. Treasury notes bear from 2½ to 4 percent. The retirement bonds all bear 4 percent. This is another class of bonds, the interest rate on which could be reduced in this economy drive, the same as salaries and other gratuities have been reduced. Certificates of indebtedness, however, vary from three fourths of 1 percent to 3¾ percent; and the Treasury notes that have been floated in the last 18 months to the extent of over a billion dollars range in interest rates from thirty-four one hundredths of 1 percent to 1.4 percent.

Mr. VINSON of Kentucky. Mr. Speaker, will the gentleman yield?

Mr. PARSONS. I yield.

Mr. VINSON of Kentucky. Does the gentleman from Illinois think it requires legislation to refinance the present obligation? Cannot the Secretary of the Treasury refinance the Government obligations under existing law?

Mr. PARSONS. He can only refinance such issues as fall due on certain dates; but the Committee on Ways and Means could and should bring in a bill underwriting the entire national debt structure at this session of Congress and make every class of citizens bear its part of economy.

Mr. VINSON of Kentucky. Has the gentleman consulted with the Secretary of the Treasury on the matter?

Mr. PARSONS. I have not. I am only trying to arouse sentiment in favor of the proposition so the Secretary and President may recognize the justice of such a measure and ask Congress to act. If they fail to do so, then it is up to Congress to act in its own capacity. [Applause.]

[Here the gavel fell.]

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANHAM. Mr. Speaker, the lamentable disaster which has befallen our country in the loss of the officers and crew of the *Akron* has wrung the hearts of all of us. We deeply deplore this tragedy. Many of us lost personal friends, and our Nation has been deprived of the services of skilled men who cannot be easily replaced.

Perhaps the first reaction of our minds to this disaster is a feeling of hostility toward the type of aircraft upon which these brave men perished.

I listened attentively yesterday to the remarks of the gentleman from Oklahoma [Mr. McClintic] with reference to his desire and purpose to introduce a resolution calling for the appointment of a committee of seven Members of the House to investigate this tragedy. Personally I have no objection to such investigation. I think an investigation should be made, but I think also that we should not hastily condemn the use of dirigibles, especially at a time when sentiment and emotion are so likely to dominate our thinking. We should not take precipitate action or be swayed by preconceived notions concerning the utility of such craft.

The resolution makes reference to the destruction of dirigibles in days gone by. It mentions particularly the *Roma* and the giant airship which buckled, exploded, and fell in England. Disasters due to causes which led to these catastrophes have not been duplicated in this country since we adopted the policy of using helium. We have had no further dirigible tragedies due to explosion.

Let us consider for a moment the utility of dirigibles. A great British admiral and naval authority has testified that

1 helium-filled dirigible as a naval vessel is worth from 3 to 5 battle cruisers. A battle cruiser, as I recall, costs about \$10,000,000. Five of them would cost approximately \$50,000,000 and three of them \$30,000,000. With the equipment now available for the building and housing of dirigibles, an airship of the size of the *Akron* can be constructed for two or three million dollars. If the statement of this British authority be accurate, then in our program of national defense the dirigible is our most economical asset.

[Here the gavel fell.]

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. LANHAM. So let us not be hasty and discard dirigibles without a full and fair consideration of their merits.

I dislike the harsh expression which sometimes finds its way into print that such tragedies as the *Akron* disaster, involving great loss of life, are the toll of progress, and yet in almost every line of endeavor this is true. We have often paid dearly for our advancement, but we have not discontinued other activities because of loss of life or material. The last utterance I heard from Admiral Moffett was over the radio. He was speaking of the value of lighter-than-air craft in our program and urging us to carry on.

Now, what have been the circumstances of the dirigible disasters in this country since we began our helium project? We have had two losses, the *Shenandoah* and the *Akron*. The *Shenandoah*, our first effort at the airship on a large scale, was destroyed in a storm which, from all reports, must have been similar in its intensity to that in which the *Akron* was lost. In my judgment, they both fell victims to cyclonic disturbances in the particular regions where they happened to be. My recollection is that in the case of the *Shenandoah* warnings had been given that the ship was advancing into a storm area. I do not mention this in disparagement of the brave men in control, for I recall that they did what seemed safest and best under the circumstances. The control cars of this first large dirigible were not an integral part of the framework of the ship itself but were suspended from it by struts. The breaking of these struts hurled these cars to the ground and the occupants were killed; but, despite the fact that the *Shenandoah* broke in two or three pieces, all the others of the crew made safe landings.

This tragedy taught us to attach the control cars to the framework of the ship as an integral part of it in order that such an accident might not be duplicated. I recall having read the statement of one of the many survivors of the *Shenandoah*. He was traveling home on a Pullman car and he said that if that car had been in the same storm with the *Shenandoah* it, too, would have been torn to pieces.

From the best information I can get, though information is necessarily somewhat meager until some investigation is made, the *Akron* also fell a victim to a cyclonic storm and in an area where such storms are prevalent. The statement can be easily verified that that particular locality is peculiarly subject to disturbances of somewhat similar character.

So I say, Mr. Speaker, that if there are defects in the manner of construction of these dirigibles let them be remedied. If the models and plans are wrong, let them be corrected.

Our Nation is providentially blessed in being the only one which can put in the air dirigibles filled with a nonexplosive gas. Other nations not so fortunate in obviating the hazard of explosion are carrying on successfully in the lighter-than-air field. As an element of peace, of world security, the great value of helium-filled dirigibles properly constructed as scouting vessels for the Navy enables us to play an important part in promoting the cessation of wars, because through such craft our Nation has a peculiar means of offense and defense denied to the other countries of the world.

[Here the gavel fell.]

Mr. FOCHT. Will the gentleman ask for some additional time so that I may ask him a question?

Mr. LANHAM. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FOCHT. The gentleman stated a moment ago that our battleships cost \$10,000,000.

Mr. LANHAM. Battle cruisers, I said.

Mr. FOCHT. It is my recollection that the dreadnaught type of vessel costs from \$20,000,000 up to a maximum point of \$40,000,000.

Mr. LANHAM. That is my understanding also, but I used the term "battle cruisers", and I understand they are not so expensive.

Mr. FOCHT. I asked my friend here, the gentleman from New York [Mr. FISH], and he is of the same opinion, and we both during the war voted for bills authorizing the construction of these ships, and we are of opinion that they cost the same.

Mr. LANHAM. May I inquire of the gentleman from New York as to the cost of construction of a battle cruiser?

Mr. FISH. The construction of a battle cruiser or a battleship over 10,000 tons is \$20,000,000 and upward.

Mr. LANHAM. Then the point which I make is accentuated if the statement of the British admiral is correct that as a vessel at sea in time of war 1 helium-filled dirigible is worth from 3 to 5 battle cruisers.

The SPEAKER. The time of the gentleman from Texas has expired.

Mr. DUNN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. DUNN. Mr. Speaker, and Members of the House. I may have a half dozen Members of the House agree with me or I may have half of the Members of the House agree with me, or I may have practically every Member of the House disagree with me. Therefore, whether you agree or disagree, my opinion, in the way I shall express it, will be right.

We have come to the point in the United States when men and women who have attained the age of 50 have great difficulty in securing work, no matter how many jobs are available.

Mr. WEIDEMAN. Will the gentleman yield?

Mr. DUNN. Yes.

Mr. WEIDEMAN. I want to say to the gentleman that in the city of Detroit, in the automobile industry, if a man or a woman has reached the age of 40 they will not employ him.

Mr. DUNN. I have not seen that statement in the papers.

Mr. WEIDEMAN. That is a fact, and they do not print those things in the newspapers.

Mr. DUNN. I thank the gentleman for the information.

Mr. KELLER. Will the gentleman yield?

Mr. DUNN. I yield.

Mr. KELLER. I want to say that at the present time a resolution to that effect has been in Congress for a year and a half. I introduced in the House a resolution to accomplish the very thing the gentleman is talking about, and I trust the gentleman will help me get it through.

Mr. DUNN. I am very glad to learn that there is such a resolution. I want to call attention to the fact that men and women who are physically incapacitated, although not entirely, find it impossible to obtain any relief or work.

It is true, there are in the United States a variety of supposed charitable agencies, and men and women who are in need are compelled to humiliate themselves when they ask for aid from the said organizations.

In my opinion, the United States Government has lost hundreds of millions of dollars by not having old-age and disability pensions. I say this because there are hundreds



of millions of dollars wasted by various charitable agencies where they take 75 percent of the money they collect for wages and overhead expenses.

I maintain if we had an old age and disability pension law, we could put a stop to these parasites who come around to our doors and tell us that they are collecting in behalf of humanity. Investigation after investigation has been made and it has been proved conclusively that many of these agencies put most of the money they collect in their pockets, and not in the pockets of the unfortunates for whom they claim it was collected. I hope that the United States of America will, in the very near future, bring about a condition whereby none of its citizens shall be compelled to humiliate themselves by appealing to any agency for food, shelter, and clothing.

Let us do away with the supposed charitable agencies and eradicate the abominable poorhouses. This can be done by giving an adequate pension to the aged and those who are physically incapacitated. [Applause.]

Mr. BLACK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER pro tempore (Mr. KELLER). Is there objection?

There was no objection.

Mr. BLACK. Mr. Speaker, on Monday last, April 3, 1933, the House was beguiled into passing the bill H.R. 4220, for the protection of Government records, and the fate of that bill a little while after its passage by the House should be a warning to the leadership of the House and to the executive branch of the Government that the chairmen of committees of the House not treat this House so casually again. It is important at this time that the relationship between the House and the executive branch of the Government should be most cordial, and that the understanding between the executive branch of the Government and the House should be on a firm foundation. This House is not a debating society and what we do here is not an academic proposition. What we do here has a tremendous bearing upon the lives and liberties and properties of American citizens. Therefore it is very important that in the rush of business before the special session, those charged with responsibility to the House be absolutely accurate in the information they give the House on which the House predicates its legislation.

The economy bill passed the House under great pressure, and under the belief that if it did not pass the House immediately upon its presentation the world would come to an end. Yet the Senate found that the House bill had to be clarified in about 30 different places, all of which made the House look more or less ridiculous as a legislative body. In other words, had there been no Senate, there would have been no bill, because the bill as it passed the House meant nothing.

As soon as the bill I refer to now, H.R. 4220, for the protection of Government records, passed the House, with only 29 Members voting against it, the chairman of the committee who urged the bill immediately went to the press gallery and stated that the bill had to be amended. Is that any way to treat the House? The vote on that bill is going to plague a great number of the individual Members who voted for it. The House action on the bill is a reflection upon the House as a deliberative body.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield?

Mr. BLACK. Yes.

Mr. McFADDEN. The gentleman knows that I opposed the bill and caused a roll call upon it?

Mr. BLACK. That is true.

Mr. McFADDEN. And I am perfectly satisfied from the investigations which I have made since that the House was misinformed in regard to the real purpose of the bill.

Mr. BLACK. The purpose of my remarks is to find a way for the House to determine who was responsible. The House should know. In the report on the bill, which was very brief, the committee said:

The executive branch of the Government has requested the enactment of this legislation at the earliest practicable date, and

has satisfactorily demonstrated to the committee the need for it. The legislation is by its very nature probably auxiliary to the emergency legislation enacted and to be enacted by Congress at the present session. It is proper to state that the committee has had the assistance of the Department of Justice in the drafting and preparation of the bill.

This House has already given up a great deal of its power because of the emergency, and when the phrase "emergency" is used by the committee as a reason for passing a bill, the committee ought to be positive that there is a relationship between the emergency and the bill.

Mr. McFADDEN. Mr. Speaker, will the gentleman yield?

Mr. BLACK. Yes.

Mr. McFADDEN. And I would remark here that there is another bill pending, the arms embargo bill, the purposes of which are not clearly stated, and are not being stated in the hearings that have already been held.

Mr. BLACK. The part of the report which I read states that the Executive branch of the Government requested this bill and its passage at the earliest practicable date. What happened? Immediately after the passage of the bill the chairman of the committee said the bill had to be changed, the President of the United States repudiated the bill, the Department of Justice said it had nothing to do with the bill, and this morning the Secretary of State said, when he learned of the contents of the bill, he was against it. I say that the Committee on the Judiciary, which is made up of some of the best men in the House, owes it to the House to let the public know who gave that committee that bill, what individual in the State Department or in the Department of Justice gave the committee the bill, what individual had the temerity to tell the Committee on the Judiciary that the State Department wanted that bill, and that it was part of the emergency program, when as a matter of fact it was not. Who delivered it to the committee which in turn delivered it to the House? I say the method of the passage of that bill savored of sharp practice. I have never criticized to any extent any committee of this House. I have tried to amend bills but I have never made any wholesale condemnations, and I am not going to do it now, but I say this is a matter of too much importance for this House to let go by lightly.

Mr. McKEOWN. Will the gentleman yield?

Mr. BLACK. Surely.

Mr. McKEOWN. The gentleman knows that in the last session of Congress we passed a bill that was similar to the bill that was passed the other day in section 1, without the words "prejudicial to the safety and interest of the United States." That bill was passed in the last session.

Mr. BLACK. An entirely different proposition. The bill that was passed called for censorship of the press of the United States, and it comes with a report which says it is a part of the emergency program. The bill that we passed last session did not call for any press censorship. The gentleman knows it. It transcends in importance almost anything we have done. The idea of a committee coming in, without any previous warning, the leadership of the House making way for them, and saying to the House that the executive branch wanted a bill of this important nature; and then immediately on its passage, almost within 5 minutes, everybody who is supposed to have had anything to do with it absolutely repudiates it! Now, this House sometimes must move quickly. The House must move with understanding, and the House must have faith in somebody in these days. I say, for the sake of our future relations with the executive branch of the Government and for the future standing of this committee and the leadership of this House, the air surrounding this should be cleared up and we should know who was responsible for this report and for the passage of this bill that should never have been passed. [Applause.]

The SPEAKER pro tempore (Mr. KELLER). The time of the gentleman from New York [Mr. BLACK] has expired.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.



The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio [Mr. TRUAX]?

There was no objection.

Mr. TRUAX. Mr. Speaker, a few days ago while we were discussing the farm relief bill, somewhat harsh criticism was made on this floor of certain individuals in the Department of Agriculture who had something to do with the drafting of the bill. Mention was made that certain of those gentlemen, including Dr. Tugwell, Assistant Secretary of Agriculture, and Mordecai Ezekiel, Chief Economist to Secretary Wallace, had spent several years in Russia, and, if not in fact branded as Communists, were somewhat tainted with communism. I rise today in defense of those gentlemen who have labored long and fearlessly to frame a bill that would at last really relieve the American farmer from the staggering burden under which he has attempted to go ahead for the past 12 years.

I have prepared a résumé of the activities of Mr. Ezekiel in particular, Mr. Speaker, and I ask unanimous consent to extend that in my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRUAX. Mr. Speaker, I want to clear up once and forever the malicious propaganda that has been disseminated in this country for 12 years by all of the known organized groups on all the effective farm legislation. I refer to one group known as "the Chicago grain traders, or the Chicago grain racketeers"; a second group that I would name is that group known as "the millers' group", composed of the large millers of this country.

I recall, Mr. Speaker, that in 1923 I attended what was known as "the national wheat conference" held in Chicago. This conference was called by eight Governors of wheat-growing States. Governor Donahey, of Ohio, who was one of the Governors on call, sent me to that convention as his personal representative. This convention was attended by 700 delegates from every State in this Union, representing every business, every industry. It was my distinction to have been made a member of the resolutions committee of that convention.

The wheat growers of the Northwest were asking a resolution that would call upon the President to call an extra session of Congress to fix the price of wheat at \$1.75 a bushel. That resolution failed in this committee by 1 vote. It was then introduced on the floor of the convention and failed there. The opponents of that resolution at that time were the same group—the millers and the large grain traders and grain exporters—headed largely by Julius Barnes and Sidney Anderson. The same kind of poison, the same misinformation was disseminated then, 10 years ago, as is now being broadcast against the enactment into law of any and all farm-relief measures that really relieve. The final conclusion of that great convention was that the people of this country should be asked to consume more wheat as a solution of the wheat-growers' problem. I well remember at its conclusion, white-haired John Trumbull, president of the Farmers' National Union of Kansas, made this statement:

Well, the only hope that we can take back to our wheat growers of Kansas is to urge their friends to eat an extra slice of toast in the morning to save the wheat grower.

The SPEAKER pro tempore. The time of the gentleman from Ohio [Mr. TRUAX] has expired.

Mr. TRUAX. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. TRUAX. Mr. Speaker, I want to remind this Congress that the wheat growers then were asking for \$1.75 a bushel for their wheat. Under the farm bill adopted by the House, which I understand the Senate either has or will shortly report favorably, it is proposed to establish a price level of 93 cents a bushel for wheat. When anyone asks me, "Will this bill really help the farmer; will it really be

of benefit to agriculture?" My answer is, "Will 93-cent wheat, will 7-cent hogs, will 26 cents a pound butterfat, will 13-cent cotton be of benefit to the farmers of this country?"

So, Mr. Speaker, I urge that the malicious efforts of these organized groups which also have included not the international bankers, this is too mild a name for them, but the international butchers of human happiness, be checked. When you read all this false propaganda, all these vicious attempts to slander individuals in the hope that all farm-relief legislation may be effectively strangled, just remember the source from which it has come.

The methods employed by opponents of the farm relief bill should not be permitted to pass unnoticed. There is a surprising similarity between the unjust, the maliciously false campaign of propaganda being employed against this bill, and the campaigns employed by certain vested interests against other farm measures in the past. Either unwilling or unable, or both, to debate the merits of the bill, they have concentrated their attack on some of the individuals who helped frame it. If they were in the habit of sticking to the facts, no one could criticize them severely. Unfortunately they have not even bothered to find what the facts were. Had they done so their attack on personalities would have collapsed.

We have heard a vast amount of nonsense about the Russian influence on this bill. It has been said that Members of Congress were comparing copies of the bill with statements of Russia's 5-year plan, and seeing visions of the long arm of Joseph Stalin getting a strangle-hold on American agriculture.

I ask you, Mr. Speaker, is it decent for grown men to fall for that sort of hokum? The grain trade and the Chicago Tribune have been peddling that sort of hogwash for so long I thought everyone in Congress was now able to discount it. No one who knows the first thing about the Soviet plans and methods, and who has examined with an open mind the provisions of our own farm bill, can by any stretch of the imagination see the slightest parallel.

The truth is that this bill, like other measures proposed by the administration, provides the only intelligent course this Nation can take, unless it is willing to fall prey to revolution, to anarchy, and then, indeed, to communism or fascism. Far from taking us toward communism, this bill staves off communism and preserves every possible advantage of the traditional American way of doing things.

Some members of the opposition have not been satisfied with outlandish generalities. They have made misstatements, inaccurate and unjust statements about the authors of the bill. Now, it is perfectly proper and even necessary to know who wrote a bill and what his ideas may be. But in all fairness to the cause of American agriculture, let us get at the facts and let us stick to them.

Much of the attack has been concentrated on Secretary Wallace's economic adviser, Mordecai Ezekiel. Because his name is not common, because he is not John Smith or Frank Brown or Richard Roe, some people become suspicious. They do not like names they never heard before.

Mr. Ezekiel, I am reliably informed, was made Economic Adviser to the Secretary of Agriculture because the Secretary has known him, liked him, and admired his ability and intelligence for the past 10 years. Mr. Ezekiel was chosen to help draft the new farm bill because he is an authority on agricultural economics, and because for the past 7 years at least he has given much of his time to the study of the farm surplus problem.

You have heard that he spent 2 or 3 years in Russia. The facts are that he spent 4 weeks in Russia—and did not meet Stalin.

The Assistant Secretary of Agriculture, Mr. Tugwell, incidentally, is also accused of having spent a year or more in Russia. The truth is that he spent precisely 6 weeks in Russia—and he did not meet Stalin, either.

I find that Mr. Ezekiel, for all that his name is less common than Smith or Jones, was actually born right here in America. He is a native of Virginia, which Common-



wealth has not, to my knowledge, gone Bolshevik. His father also was born in Virginia, and his mother in South Carolina. The Ezekiel family, long known in Richmond, traces its American lineage back to colonial days.

Let me list briefly the main facts in the career of Mr. Ezekiel, inasmuch as some of the interests opposed to the bill have chosen to spread abroad, openly and covertly, so many misstatements. Here is the record:

Graduated in agronomy, University of Maryland, 1918, with honors.

In training camp, Plattsburg, N.Y., summer 1918. Commissioned second lieutenant infantry, September 1918. Served training men for overseas duty. Discharged December 1918.

Employed in United States Census Bureau from late 1919 to middle of 1922 checking, revising, and preparing text of census reports for 1920 census.

July 1922 to February 1930 employed in Division of Farm Management, Bureau of Agricultural Economics, developing method of statistical analysis, and pioneered in applying it to the problem of farm management, agricultural production, and economic analysis of reasons for changes in prices; assisted in the development of the agricultural outlook work, Department of Agriculture, and in its popularization and application throughout the country.

February 1930 to March 1933, Assistant Chief Economist, Federal Farm Board; advised the Board as to probable economic effects of its operations, assisted in the preparation of the second and third annual reports of the Board, was particularly charged with proposals concerned with farm relief and the adjustment of agricultural production under the direction of the Board; collaborated with Prof. M. L. Wilson during the last year in developing and perfecting farm-relief proposals, from which the administration's farm bill was evolved.

From September 1930 through August 1931 was on leave without pay from the Board to study in Europe under a fellowship from the Guggenheim Foundation for economic study. Studied in England, Germany, Italy, Russia, and France, and visited incidentally many of the smaller European countries, giving particular attention to the effect of governmental activities on economic conditions and to government policies affecting the European demand for American farm products.

His book, *Methods of Correlation Analysis*, was published in 1930 and has been adopted as a text by many agricultural colleges and other colleges throughout the country. In addition, he has published many technical articles in *Journal of American Statistical Association*, *Journal of Farm Economics*, *American Economic Review*, the *Quarterly Journal of Economics*, the *Journal of Political Economy*, and has published a few popular articles in such journals as *Wallace's Farmer*, the *Country Gentleman*, *Pennsylvania Farmer*, and other agricultural magazines.

In March 1933 was appointed Economic Adviser in the office of the Secretary of Agriculture and has been working with Secretary Wallace in developing his plans for farm relief.

Has taken additional graduate training from time to time; received M.S. in economics from University of Minnesota, 1923, and Ph.D. from Robert Brookings Graduate School, Washington, D.C., 1926.

In addition to college and governmental experience and training, has worked on farms at various times, and owned and operated a small farm north of Washington for several years.

For a number of years, as I have said, Mr. Ezekiel has been preoccupied with the farm surplus problem. His writings reveal an intensive study of it as long ago as 1926. That year he presented a paper before the American Association for the Advancement of Science on the topic, *Kinds of Agricultural Surplus*. He pointed out at that time that large-scale storing, such as the Farm Board's stabilization program involved—

offers little promise of materially improving returns to farmers unless it is coupled with some effective control of acreage of crops and numbers of livestock.

In December 1928, four months before the act establishing the Farm Board became law, Mr. Ezekiel made an address on the surplus problem before the American Farm Economic Association (published in *Journal of Farm Economics*, April 1929). Once again he forecast the perils of the policy later pursued by the Farm Board, when he discussed the possible results of storing wheat from one crop year to another, as follows:

In estimating the effect of withdrawing part of the supply from the market, two assumptions were made: (1) that the resulting increase in price would reduce our consumption and export of wheat just as much as would a corresponding increase in price due to a short supply; and (2) that the action of the agency in storing wheat would cause those who buy wheat for storing until another year to reduce their purchases to the minimum amount needed for mill operation and usual reserves.

The point should be emphasized that there can be no "psychological effect" of storing on prices unless someone is induced to buy the supply that is left for sale at the price that is established. The consumer is certainly likely to continue to respond to price as he has done previously, and the storer-for-a-profit is more likely to be intimidated than encouraged by the fact that the agency is also storing.

And at the close of his paper Mr. Ezekiel wrote:

There is one additional method of treating the surpluses which depress prices below the profit line which has not been mentioned yet, and that is by not producing them. \* \* \* It does seem that \* \* \* application of facts aimed at the proper direction of production will in the long run prove to be the most effective means that can be used to "settle the farm problem."

Mr. Ezekiel's economic analysis was bountifully verified by the results of the Farm Board's stabilization efforts. During the period of the Farm Board's heaviest wheat buying, however—from November 1930 through the following spring—Mr. Ezekiel was absent on leave without pay.

Mr. Ezekiel's observations on Russia may also be pertinent at this time. While in Europe he wrote two articles on Russian agriculture for *Wallace's Farmer*, and they were published in that magazine in July 1931. Another article, published in the *Journal of Farm Economics* for April 1932, was in part a report on his whole European trip, and was entitled "European Competition in Agricultural Production."

We find him writing in *Wallace's Farmer* as follows:

Many American engineers have helped at one time or another with the development of the Verblut State farms. Many have found the going here or on other State farms too rough, or the accumulation of petty annoyances too great, and have broken their contracts to return home before the end of their stated 2 years. Certainly, living conditions in Russia are far below American standards. When a man feels that, in spite of putting up with many hardships and enduring many inconveniences, he is not accomplishing anything, then it is no wonder that he should quit. Yet that is just the way that many foreign specialists in Russia feel. They are advisers only, and their advice usually seems to be ignored. The Russian workman—especially the ignorant, uneducated workman—has a sublime faith in his own knowledge and ability which is ludicrous. While we were at Verblut a new 24-foot combine was being assembled, the first of that size to be put together in Russia. Two Americans from the factory were there to help in getting it set up, one of them an engineer who had helped plan and design the machine. But would the workmen pay any attention to their suggestions? Not at all! They knew all about machinery, they said. They would put it together the way they knew it should go. And, according to their own ideas, they attempted to put it together, until when pieces put on upside down or backwards failed to fit or function they at last discovered that something was wrong, and then proudly announced as their own invention that it should be done the way they had first been told to do it.

#### MAKE "NEW" DISCOVERY

In another case, soybeans were to be threshed with a combine. One of the American specialists suggested how to set the teeth in the cylinder and adjust the speeds to do the job properly. Later he found the machine set as had seemed right to the workers, running full blast and churning the beans into an excellent imitation of soybean-oil butter. Again the workers announced proudly that they had discovered something. No one before had ever had the idea of threshing beans with a combine—they were the first on earth to try it! The engineer's statements that it had been done for 20 years in America, and could be done with the same combine far better than they were doing it, fell on deaf ears. The Russians thought they had discovered something new under the sun, and both the joy and the arrogance of discoverers were theirs.

Only when something goes wrong; when a motor refuses to start, when a part fails repeatedly from unknown causes, when "something goes haywire", then is the advice of the American adviser asked for and heeded. That is the real reason why he is still



there. In times of stress he can be appealed to as a last resort and can be depended upon to straighten the trouble out.

The socialistic ideas make it difficult to achieve a smoothly working, coordinated organization. Every Russian worker has been told that he is as good as every other man; in the frequent planning meetings he has helped discuss the plans of his unit, and has voted on counterplans to show that the workers will set their goals even higher than the management has set its. As a result he feels that he is his own boss; he alone is responsible for what he does; and no one has the right to tell him what to do. A successful Russian executive must be much more than merely a planner and a "boss"; in addition he must be a persuasive orator, must have endless patience, and he must excel in tact in appealing to men's sense of humor and sense of duty.

In his article in the *Journal of Farm Economics*, which had been read before the meeting of the American Farm Economics Association previously, Mr. Ezekiel summed up his impressions this way:

The Russian situation is so distinctive that it requires special treatment. In discussing developments in the Union of Socialist Soviet Republics we must be careful not to attribute all progress to the new organization of economic life alone. Communism is organizing a constantly increasing sector of economic life on the lines of a planful state socialism; but in addition it is introducing applied science generally in what previously was a semi-medieval country. No outsider can judge whether the economic organization of Russia is as yet superior to that of other countries. There can be no question, however, as to the productive advantages of applied science over the former primitive culture of the Russian peasant. Not only in the technique of production but in education, in sanitation and health, and, yes, even in propaganda, the new Russia is using everything that she can learn from modern science. True, it is often used blunderingly and awkwardly. We must remember, however, that in England and America the machine civilization was not built in 1 year or even 5. Russia is attempting the task of remaking a people as well as building a new economic system. Whether or not we sympathize with the harsh methods used in the process, we must recognize the substantial progress which has been made. How much of this progress can be attributed to the socialistic economy and how much to applied science is a more difficult matter and one that I cannot attempt to answer.

In spite of the industrial progress which has been made, Russia is still primarily a producer of raw materials. The modern product, oil, has been added to wheat and wood as a product for export. Under communism, as under the Czar, Russian agriculture must still produce the bulk of the surplus wealth to buy western machinery and equipment to modernize Russia.

A vast quantity of capital goods and a great deal of trained technical skill are still needed to complete the program of industrialization. The pressure to pay still rests on the Russian peasant—the *mujik*. The present world crisis, with its reduction in the value of wheat and cotton, has borne on Russia no less heavily than on other raw-material exporters.

Recent dispatches from Moscow indicate that more immediate attention is to be paid to increasing the output of consumption goods. Some of the planned increases in heavy industry for the last year of the plan are to be reduced. One must always be chary of giving full credence to startling reports from Moscow; what actually goes on through the broad stretches of Russia is not always immediately sensitive to changes in official sentiment at the center. It is difficult to judge how significant this reported change in policy will prove to be.

More than once this fall reports have come out that collective farms and even State farms were refusing to give up the allotted proportion of grain, that they were holding onto unauthorized reserves. It may be that this widespread passive resistance has convinced the Kremlin that new concessions to the peasants must be made. Certainly standards of food and heating last winter seemed to have reached an irreducible minimum; the further effort of carrying through 1 year more, with insufficient harvests, may have forced the strain too near the breaking point.

The question of depreciation of machinery is still a troublesome one. Increasing dependence on Russian-made machinery will increase the rate of depreciation, for a time at least. The poor quality of so much of the manufactured products in Russia is well illustrated by this statement from the *Moscow News*, a quotation from a worker in one of the tractor factories: "The foundry was—and still is—the weak spot. One of the drawbacks is the bad quality of sand and pig iron. The fact that sand is not graded retards our schedules seriously." This weakness in technical care is characteristic. Russian research workers, scientists, and metallurgists are busy working on the problem; but meanwhile the mechanic in the factory and the peasant in the field go blithely ahead, ignoring the advice of the expensive foreign specialists, until they learn by their own experience how to do the job.

Mr. Ezekiel concludes his paper by saying:

This review of the foreign competitive situation leads to only one sure conclusion—competition in the sale of agricultural products on foreign markets will continue as keen as ever. Severe restrictions on trade will continue or increase so long as prices remain low or declining. Until world economic and political policies are changed, much of the competition will be senseless from

an economic point of view, for the highest-cost producers will be encouraged to expand, while the lowest-cost producers will be compelled to reduce and make the needed adjustments. Present international economic policies might be designated broadly as one of senseless grabbing for oneself. Each nation has been trying to make itself prosperous by hurting the business of other nations. An opposite policy, of international economic cooperation, would look to improving the business of one nation by improving the business of other nations with which it does business. It is difficult to tell when the swing back to such a world policy will commence, or even if it ever will. Perhaps the protectionist developments recently begun in England will mark the high-water mark of economic nationalism; for certainly England cannot maintain her previous standards of living under a policy of high protection. Even in the United States there are signs that doubts are beginning to arise as to the ultimate wisdom of a policy of extreme protectionism.

This was written in 1931.

More than any other nation the United States has the power to take steps to correct the conditions which now are steadily strangling international trade. Until those steps are taken it may be impossible to restore world confidence in the future. The level of prices cannot be restored until a sound basis for confidence has been created. Both in domestic markets and in foreign markets the prices of agricultural exports reflect the lack of confidence and the extreme competition which it produces.

Mr. SWANK. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. SWANK. Mr. Speaker, I ask unanimous consent to insert in my remarks some statistics and a report of a monetary commission created in August 1876 on the silver question.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. SWANK. Mr. Speaker, during the short time we have been here in this special session of Congress, we have passed several bills which I believe will be of great benefit to the country, and in the next few days I understand we will have the bill providing for refinancing of farm mortgages.

I am glad we now have, for the first time in many years, a President who understands the common, average working people who are entitled to some consideration. In my judgment, most of these measures will afford temporary relief and, in order to have permanent relief for the people of this country, it is necessary that something further be done to raise commodity prices. The bill that, if enacted into law, will relieve present conditions in connection with these other bills, is a bill that provides for issuing sound currency and remonetizing silver. Silver certificates should be issued against silver bullion that may be purchased by the Treasury Department.

Governments are established by the consent of the governed; and when any government fails to be administered for the benefit of the people, then the people have the right to change that government. Elected representatives of the people should be responsive to their will and need. This Government that we all love so well must be taken out of the hands of the money changers, the same class that the Savior drove from the temple for the usurpation of power and for despoiling that sacred place under the name of Christianity. The people must exert their rights and demand them. Who says that an increase of our actual circulation of money—sound currency—will not relieve the awful conditions that now confront our people?

My colleagues, we read in the public press every day of good people of this country driving away from our court-houses those who would foreclose mortgages upon their homes—homes that our citizens have been years in establishing—homes where they had hoped to spend their last days in some degree of comfort—homes for which they slaved for many years to establish. Then in their gray hair, when their working days and vigor are gone, it is that old story "over the hills to the poorhouse." I am ready to try any experiment that may be of assistance. I have not yet heard a single Member of this House, nor any



economist, deny that we need more money in actual circulation. Yes, we have money in this country like we had last year, the year before, and the year before that, but it is not all circulating.

A short time ago the Secretary of the Treasury offered \$250,000,000 in 5-year notes bearing 2½ percent interest, with subscriptions in 1 day of \$8,000,000,000. A few days ago the Treasury Department offered \$800,000,000 in bonds bearing 4¼ percent interest, and this issue was oversubscribed in the sum of \$1,820,000,000. Some say that issuing currency as provided by the Federal Reserve Act or the purchase of silver as provided in some of these silver bills and the issuance thereon of silver certificates or paper money would destroy our financial system. Well, who here denies that our present financial system should be changed? The United States Government has issued paper currency to November 30, 1932, in the sum of \$90,595,554,363, and our Government still stands. How are we going to pay our public debt and put our people to work, unless something of this kind is done?

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. SWANK. I yield.

Mr. McFARLANE. Will the gentleman explain in his remarks, if he can, the jump in the interest rate from about three fourths of 1 percent to 4¼ percent in the course of a few days' time?

Mr. SWANK. I may say to the gentleman from Texas that I cannot explain why it was done, but it has been done.

Mr. McFARLANE. In the instance of the issue previous to the \$800,000,000 issue, as I remember, the Government paid only three fourths of 1 percent.

Mr. SWANK. The public debt of the United States in 1790 amounted to \$54,000,000, of which \$12,000,000 was due foreign creditors, chiefly in France. State debts amounted to \$21,000,000, which were assumed by our new Government. These debts had all been paid by 1837. January 31, 1933, the gross public debt of the United States amounted to the enormous sum of \$20,801,707,134.01.

The countries with which we carry on our principal export trade are those that have gone off the gold standard and are now on a silver basis. We have always enjoyed a large export trade with England, China, and Japan. An article appeared in the Seattle Star January 4, 1933, stating that 50,000 American fishermen find their jobs endangered by a flood of canned food by cheap Japanese labor. This article says that Japanese fishermen are paid wages from 25 to 40 cents per day and that the tariff against this canned food does not work because of the decreased value of the Japanese yen, their unit of money. The old value of the yen was 50 cents, but since they have left the gold standard the yen has decreased in value to 12 cents in our money. The same story is true with the other countries to which we export large values in our goods. Mr. Speaker, with these facts staring us in the face we are still wedded to our gold standard and refuse remonetization of silver. This would not only revive the silver industry and put thousands of men to work, but would open up our foreign trade.

Under the present gold standard law a person who has a quantity of gold bullion may take it to any United States mint and have it coined into money free of charge. After it is coined into money he can have the gold coin delivered to him or can have the gold certificates representing the coin. He will, of course, take these certificates. If silver is remonetized, it will be coined into money in the same manner and certificates issued representing silver bullion.

The simplest and most direct manner of issuing money at this time is to issue Treasury or Federal Reserve notes, or, in other words, currency, which can be done under our present gold standard law, and put it into circulation by paying expenses of government, namely, Federal salaries, pensions, compensation, and other expenses. To those who are loud in their praise of our gold standard law let me say that under that law we can issue over \$5,000,000,000 in currency and still be within our gold standard law, which requires a 40 percent gold reserve for the issuance of Fed-

eral Reserve notes or paper currency. All economists say that an increased and proper circulation of our money will at once cause a rise in commodity prices, and especially products of the farm, and the farm is the place where prosperity must begin. The history of money and prices points to the fact that an increased price of gold is followed by a decrease in commodity prices. If wheat should sell for \$1 per bushel instead of 25 cents, the present price, the dollar may be said to be cheapened.

We hear much talk from the men who control the gold and who buy Government bonds about the honest dollar, but they do not say anything about an honest wheat dollar, or cotton dollar, or corn dollar, or labor dollar. When currency or "greenback" money was issued to help pay the expenses of the Civil War, a great howl went up from the money powers at that time about the dishonest dollar, but, notwithstanding it was not legal tender for the payment of interest on the public debt, nor for duty on imports, yet its issuance was followed by a wave of prosperity. As soon as the volume of currency was reduced and silver demonetized, under the act of February 12, 1873, known as the "crime of 1873," industries declined, business became stagnant, idleness was present, and there was depression in all business. Under our present money system nonproducers instead of the producers control the issuance and circulation of our money.

I warn the great money powers of the United States to take heed of the temper of our people. They have come to the realization of the fact that the Constitution of the United States puts in Congress the power to coin money and regulate its value, and that right is not given to the money interests by our basic law. Let me warn them to stop, look, and listen. Our people are losing their homes, hundreds of thousands of them turning to look for the last time, as they go over the hill, at their homes which they intended to provide for their old age. Their rights cannot much longer be trampled underfoot by those who "toil not, neither do they spin." The nontaxable securities of the rich can dwindle in value, the same as the homes of our people.

If we are going to continue our metallic system of money, then silver should be remonetized and used with gold as a basis. Silver was our unit of value long before gold. The Continental Congress of 1786 adopted the silver dollar as the unit of value, and it contained 375.64 grains of silver. This dollar was our standard of value until silver was demonetized in 1873. There would be no danger of the remonetization of silver causing a surplus or too much money. The history of gold and silver production of the entire world contradicts any such likelihood.

Monetary gold and gold bullion in the world to end of 1931 (about).....	\$11,500,000,000.00
Monetary silver and silver bullion in the world to end of 1931.....	4,110,000,000.00
Value of gold bullion and circulation in United States in and outside the Treasury, Jan. 1, 1933.....	4,553,000,000.00
Value of silver bullion and circulation in United States in and outside the Treasury, Jan. 1, 1933.....	848,000,000.00
Price of gold Mar. 30, 1933 (per fine ounce)---	20.76
Price of silver Mar. 30, 1933 (per fine ounce)---	0.27

The total gold stock of the principal countries of the world December 31, 1931, amounted to 11,940,606,000 ounces. The total world production of gold during the years 1493 to 1931, inclusive, amounted to 1,085,745,695 ounces. The world production of silver for this same period was 14,960,313,580 ounces. From 1792 to 1930 there has been produced in the United States 221,480,830 ounces of gold of the value of \$4,578,415,100. During this same period there has been produced in the United States 3,167,273,554 ounces of silver of the value of \$2,504,825,617.

The estimated value of gold produced in the world from 1860 to 1930, inclusive, is \$17,514,697,412. The Bureau of Mines says that the rejection of silver as a basis of monetary systems, in conjunction with gold, terminated an association that had lasted for centuries. The bureau also says that most oriental countries use silver as a medium of exchange almost to the exclusion of gold.



The production of gold in the United States for the year 1931 amounted to 2,395,878 ounces of the value of \$49,527,200, and the production of silver for that year was 30,932,050 ounces of the value of \$3,970,294. Under the act of Congress of March 14, 1900, the gold dollar consisted of 25.8 grains of gold, nine-tenths fine, and there are in the United States 11 kinds of lawful money, as follows:

Gold coins, gold certificates, standard silver dollars, silver certificates, subsidiary silver coins, minor coins, United States notes, Treasury notes, Federal Reserve notes, Federal Reserve bank notes, and national-bank notes.

Silver was made the standard unit of value in the United States before gold, and the silver dollar continued to be the standard unit of value in this country until 1873.

August 15, 1876, the Monetary Commission of Congress was created under joint resolution, consisting of 3 Senators, 3 Members of the House, and experts not exceeding 3 in number and, among other things, was to inquire into the relative value of gold and silver, effects upon trade, commerce, and finance, and the productive interests of the country, and upon the standard values of this and foreign countries. This commission also inquired into the policy of the restoration of the double standard and, if restored, what the relations between gold and silver should be. The commission filed a most exhaustive report which makes the following findings:

(1) What is known as the "double-standard value" is the standard based upon the two metals, gold and silver, by laws which establish a unit of value and account in each metal and declare the weight of pure gold and silver which the unit shall contain.

(2) It is all important that the value of the standard should be unchanging. It is not important that the material which represents the value should be unchanging.

(3) Under the double standard a debtor may, at his option, avail himself of money coined out of either metal in the payment of his obligations.

(4) From the beginning of the Revolutionary troubles in South America in 1809 to the opening of the California mines in 1849 there was a continuous rise in the value of money and a corresponding fall in the value of commodities.

(5) After 1849 there occurred a fall in the value of money and a rise in the price of commodities.

(6) The facts that both gold and silver have heretofore been used as money, that prices have been controlled by their combined volume, and that existing contracts on an enormous scale have been entered into on that basis by States, municipalities, corporations, and individuals are the most important of all the facts to be considered in respect of propositions to demonetize either metal. If gold alone had always been used as money, although less steady as a measure of value than gold and silver together, and in other respects less desirable, the objection would be well taken, that the addition of silver would double the existing volume of money and thereby depreciate it, and thus injure the creditor. The arguments of justice and expediency are more cogent against diminishing the mass of money by discarding silver, when both gold and silver have been always and almost universally used as money. The great majority of creditors have other connections with the business operations of the communities in which they live, and other forms of investment than those which constitute them creditors. What they would gain as creditors by a contraction in the volume of money would be partially, if not entirely, lost by their unavoidable participation in the general depression resulting from the fall of prices which such contraction would occasion.

(7) Some nations adopted one metal as their standard and some the other, and some adopted both. Those that adopted both metals served as a balance wheel to steady with exactness their relative value.

(8) Whenever gold and silver prices have become adjusted to a given stock of these metals, an increase of that stock will cause a rise and a decrease will cause a fall in prices. Those who have contracted to pay money find that it is constantly becoming more difficult to meet their engagements.

(9) The worst effect of falling prices is not upon property nor upon debtors but upon laborers, whom it deprives of employment and consigns to poverty, and upon society, which it deprives of that vast amount of wealth which resides potentially in the vigorous arms of idle workmen. A shrinking volume of money transfers existing property unjustly, and causes a concentration and diminution of wealth. It also impairs the value of existing property.

(10) The commission recommend the restoration of the double standard and the unrestricted coinage of both metals, but are unable to agree upon the legal relation which should be established between them.

The chairman and two other members of the commission were of the opinion that the proper legal relation of value

to be established in the United States between gold and silver should be 15.5 to 1.

On the 4th day of March 1933, on the east steps of the Capitol, President Franklin D. Roosevelt delivered the greatest inaugural address that I have ever heard or have ever read. He talked the language of the multitude and every person could understand. He denounced these money changers in no uncertain terms, as follows:

Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.

True, they have tried, but their efforts have been cast in the pattern of an outworn tradition. Faced by failure of credit, they have proposed only the lending of more money. Stripped of the lure of profit by which to induce our people to follow their false leadership, they have resorted to exhortations, pleading tearfully for restored confidence. They know only the rules of a generation of self-seekers. They have no vision; and when there is no vision, the people perish.

Mr. Speaker, it is time to act—to call the attention of our people to the true facts causing this depression and to those who are responsible for its continuance. If Congress does not act, the people will. This is the people's Government and should be administered for their welfare and happiness. [Applause.]

Mr. McKEOWN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. McKEOWN. Mr. Speaker, I rise in answer to the statement of my distinguished friend the gentleman from New York [Mr. BLACK].

I may say to the House that the bill to which the gentleman refers was passed at the last session in the form of section 1, with a few words added and the words which safeguard the bill omitted, namely "prejudicial to the safety and interest of the United States." It was reported out and was passed by the House. It seems a lot of criticism has come up about the bill at this session.

I have always taken the position that this is the President's session of Congress, and for my part I do not want to push any legislation or advocate any legislation unless it is requested from the White House, because this is his special session.

However, the Committee on the Judiciary, like every other committee of the House, has to rely upon the statements of representatives of Government departments, and representatives of both the State Department and the Department of Justice laid before your committee a bill that was considered and amended by the committee.

There is a lot of misunderstanding evidenced in the talk about this bill suppressing free speech and the press.

Now, what does this bill do? The bill provides:

That whoever, by virtue of his employment by the United States, having custody of, or access to, any record, proceeding, map, book, document, paper, or other thing shall, for any purpose prejudicial to the safety or interest of the United States willfully and unlawfully conceal, remove, mutilate, obliterate, falsify, destroy, sell, furnish to another, publish, or offer for sale any such record, proceeding, map, book, document, paper, or thing, or any information contained therein, or a copy or copies thereof, shall be fined not more than \$2,000 or imprisoned not more than 3 years, or both, and moreover shall forfeit his office and be forever afterward disqualified from holding any office under the Government of the United States.

There have been instances where men in the Department of Justice, special investigators who have secured information of great value to the Government in a case, for filthy money sold the testimony to the defendants in such cases. Does this House want to put its approval on such conduct for fear it may be criticized about suppressing free speech or interfering with a free press?

Mr. BLACK. Will the gentleman yield?

Mr. McKEOWN. Yes; I yield to the gentleman from New York.

Mr. BLACK. The gentleman knows the President has repudiated the bill, as well as the State Department and the



Department of Justice. So surely they are not defending the measure.

Mr. McKEOWN. I may say to the gentleman that I cannot help it if the President has repudiated it. I am simply stating the justification for our bringing the bill before the House.

Mr. FISH. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. FISH. My distinguished colleague from New York asked if some member of the committee would tell us who was the spokesman who appeared before the committee and recommended this legislation. Is the gentleman from Oklahoma at liberty to answer that question?

Mr. McKEOWN. The gentlemen are employees of the Department of State and the Department of Justice, and they both appeared before the committee and said they wanted the bill. These gentlemen holding places in those Departments put in quite some time passing on the bill, because I was careful in considering the language and inserted the language "prejudicial to the safety or interest of the United States."

Mr. BLACK. They knew how to do the job.

Mr. BLANTON. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. BLANTON. Is the gentleman from New York entirely correct in saying that the President has repudiated this bill? All the President did was to say that he did not intend to unduly muzzle the press. This is all that he said.

Mr. McKEOWN. I do not know anything about any repudiation.

Mr. BLACK. The President stated he was against the enactment of the bill.

Mr. McKEOWN. I do not want to get into any controversy about the matter. I am simply stating the plain facts.

Mr. SHANNON. Will the gentleman yield?

Mr. McKEOWN. I yield.

Mr. SHANNON. The gentleman realizes that the deliberative part of the Congress, the Senate, will attend to it when the matter gets over there?

Mr. BLACK. The Senate has already done that without deliberation.

Mr. SHANNON. Then without deliberation it has been attended to, and does not the gentleman think it would be a fine thing for the committees to let the House occasionally deliberate on these measures?

Mr. McKEOWN. I agree with the gentleman about that.

Mr. SHANNON. And let us propose amendments to them.

Mr. McKEOWN. I agree with the gentleman. The gentleman cannot get any fuss out of me about that, but I say that here is a bill that does not do all the things that you hear talked about with respect to limiting free speech.

Here is the proposition. If this thing involves what we were told it involved, if you have to pay the price of free speech and bring the country into war, I am for suppressing free speech. I do not believe that free speech should drag our country into war.

Mr. BLACK. The gentleman knows that countries are generally dragged into war through denial of free speech.

Mr. McKEOWN. No; countries have been dragged into war by the appeal to the patriotic sentiments or to the passions or prejudices of people by so-called "use of free speech."

I am not here to take issue with anybody about this bill except to justify the committee which has been assaulted. I say that the committee acted upon the assumption that it had a right to act upon and to bring in the bill in the interest of the country. I say that the bill does not muzzle the legitimate press, it does not muzzle legitimate free speech. What right has a man to publish anything that is to the detriment and safety of the United States? He has no right, and it is not a denial of free speech to suppress that which threatens this Nation with disaster.

Mr. SWANK. Is not the gentleman a member of the Press Club and a newspaper man?

Mr. McKEOWN. Yes; I am interested in that profession on the outside.

Mr. BLACK. The gentleman emphasizes the legal side of his life, does he not?

Mr. McKEOWN. I try to. I want to say in reference to free speech that no man in this House has been a greater champion of free speech than I, but when it touches the safety of the Republic, when it is a question between free speech and the safety of the Government, I am for my country. [Applause.]

Mr. FISH. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman?

There was no objection.

Mr. FISH. Mr. Speaker, I want to commend my distinguished colleague from New York [Mr. BLACK] for his able and fearless remarks against the code censorship bill reported by the Judiciary Committee. But I do not join with him in criticizing the Judiciary Committee of this House. It is my own belief that they were imposed upon.

And what can be expected if officials of the State Department and representatives of other Departments come before a committee of the House and say, "This is an emergency measure" and practically intimate that the administration is behind it and that it should be reported out immediately for the safety of our country.

It seems to me that committees ought to be a little more careful and find out whether the representatives of the different departments really represent their chief in the first instance.

I think that this particular bill should not have been referred to the Judiciary Committee. In the other branch of the Congress the same bill has been referred to the Committee on Foreign Relations. It has to do with the use of codes between foreign governments and it should have been referred in this House to the Committee on Foreign Affairs.

What I object to and what I think most Members object to is the air of mystery and secrecy involved. We as Members of the House are entitled to know the facts, we are entitled to know the facts presented to the committee, and then upon those facts render our decision and not be imposed upon.

I doubt if there was anything that could not have been presented and discussed in this House. If it had to do with foreign affairs and the use and deciphering of foreign codes, it should have gone to the Foreign Affairs Committee. When legislation is brought into the House under a cloud of mystery and secrecy, it can only result in improper and inadequate consideration and produce rumors and exaggerations that might lead to misunderstanding and bad feeling and bad blood between nations. I hope the House and the Judiciary Committee has learned an object lesson and that in the future the facts will be presented to the House before rushing through ill-advised measures.

Mr. McFARLANE. Mr. Speaker, will the gentleman yield?

Mr. FISH. Not now; I have not the time.

Mr. Speaker, on the evening of April 18 there will be a monster demonstration mass meeting to be held in the Washington Auditorium under the auspices of the National American Legion, with the commander, Mr. Louis A. Johnson, of the Legion, presiding, in opposition to the recognition of Soviet Russia. All Members of the House and Senate and the Cabinet members have been invited officially by the national commander of the Legion. If there are Members who will have guests, members of their families, or constituents from back home here at that time who want extra tickets, I believe that if they will get in touch with my secretary we can get the extra tickets for this mass meeting. The speakers will be Mr. William Green, president of the American Federation of Labor, Father Edmund Walsh, Senator KING, and myself. It is expected that two or three hundred national patriotic, civic, church, and fraternal organizations will also be represented by their officials and the officers of those organizations.

I also want to take the opportunity to announce that the Committee on Foreign Affairs of the House of Representatives have submitted a minority report upon the proposed



embargo bill. Before you gentlemen make up your minds how you are going to vote upon this important issue, I think, as Members of the House, it is your duty to read these reports, both the minority and the majority reports, and particularly to read the letter of Mr. John Bassett Moore, recognized as the foremost authority in international law in the world—a letter of some 10 pages—which is included in the minority views in opposition to the embargo.

Mr. Speaker, I rose for the purpose of trying to make clear to the Members of the House that there exists in the Department of Justice a report written by two efficient and reliable agents of that Department several years ago, after a 6 weeks' intensive investigation of alleged sabotage against the *Akron*. These two agents are still in the Department of Justice and can be called at any time as witnesses to testify before any committee created by the Congress to investigate the destruction of the *Akron*. I had the privilege, and I am one of the few I think, together with the gentleman from Michigan [Mr. WOODRUFF], who have read that report.

Mr. McFARLANE. Mr. Speaker, will the gentleman put the names of those agents in the RECORD?

Mr. FISH. I do not know these two agents who made the investigation. I do know their records, and that they are still there, and that they are very highly regarded. I do know a good deal about the agents of the Department of Justice, and I can assure you gentlemen that they are selected men, and any reports coming from agents of the Department of Justice in the last few years are reliable. These men were sent out to Akron, Ohio, because there were reports or indications of sabotage. They stayed there 6 weeks and were engaged as employees of the construction company, with the knowledge of the construction company. They finally located what they thought to be the guilty parties and became friends with them, and practically lived with the man who was accused, a former lieutenant of the Hungarian Navy, who was working as a mechanic on the *Akron*. He confessed to them that he was an avowed Communist. He took these agents to Communist meetings, and he told them that he was deliberately sabotaging the *Akron*, that as a mechanic he was cutting bolts and rivets and so on and welded over them. Whether these defective rivets were all discovered will never be known or how much, if any, they contributed to the *Akron* disaster. That report has been on file for 2 years. The Chairman of the Committee on Naval Affairs told me that he had not read it. The gentleman from Oklahoma [Mr. McCLINTIC], who was the chairman of the subcommittee to investigate the matter, told me that he had not read it. The gentleman from Michigan [Mr. WOODRUFF] has read it, and I think he will agree that it is one of the most amazing reports that he ever read.

Mr. WOODRUFF. Mr. Speaker, will the gentleman yield?

Mr. FISH. Gladly.

Mr. WOODRUFF. Mr. Speaker, I am very glad of the opportunity to tell the House some of the things that I saw in that amazing report. There have been times in the past when I have questioned, and with cause, the efficiency and the integrity of certain investigators in the Department of Justice. To me this report disclosed an efficiency heretofore unknown.

I happened to be a member of the subcommittee appointed by the Chairman of the Naval Affairs Committee to read this report while the committee was investigating the charges of sabotage in the construction of the *Akron*. It is a very voluminous report, and it is a most enlightening report, as the gentleman from New York [Mr. FISH] has pointed out. These investigators worked with these communists who were trying to damage the *Akron*. They would make their reports to the officials of the company, and the inspectors would "conveniently" find everything that had been done, so far as we know, to in any way injure the ship.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. WOODRUFF. Yes.

Mr. BOLAND. Is it not a fact that at that hearing it was shown that in many instances where things were marked defective, that they were taken out and replaced?

Mr. WOODRUFF. Always. I think that happened in every case.

Mr. BOLAND. And would not the gentleman admit that there was some defective work when that had to be done to that ship?

Mr. WOODRUFF. In the construction of anything, an inspector usually finds some reason to complain, because work done by the human hand is rarely, if ever, perfect. Those conditions were found on the *Akron*, but we have been dealing with these attempts at sabotage, and I say that if the Department of Justice will always operate as efficiently as it did in that particular instance it will be a credit to this country.

Personally, I can see no reason why this report should not be made public. Certainly, if the Members of this House could read it, they would find, as I did, that it is a most compelling reason for adding to our criminal statutes a law under which individuals could be punished for deliberately doing things which in all probability would result not alone in destruction of property but also in maiming of human beings and the loss of life itself.

Mr. FISH. Mr. Speaker, I want this report published, and I have been assured the cooperation of the Chairman of the Committee on Naval Affairs, who says that he will subpoena that report if necessary and make it public. I am sorry that it was not released 2 years ago. The reason I want it made public is to show that there is no Federal law under which individuals who attempt sabotage on a ship like the *Akron* can be punished.

My own view of the disaster to the *Akron* is that there were three contributing factors—the sabotage by Kassay, the accident at Lakehurst, and the 18,000 pounds overweight in the dirigible when built.

I do not know enough about airships to pass judgment on whether such additional weight would seriously impair the seaworthiness or the stormworthiness of the *Akron*, but it might well have been an important factor. Furthermore, the constructing company wanted to sell and the Navy wanted to buy, as evidenced by the company paying a \$25,000 penalty for overweight and the Navy Department accepting the *Akron*.

When this man, Paul Kassay, was caught by those agents, and after their report was made, he was tried under the Ohio syndicalist law; and when he went to trial, the State syndicalist law was held unconstitutional by the trial judge, and the proceedings lapsed.

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. FISH] has expired.

Mr. WOODRUFF. Mr. Speaker, inasmuch as I have taken up much of the gentleman's time, I ask that the gentleman's time be extended for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. WOODRUFF]?

There was no objection.

Mr. FISH. So that, this former Hungarian lieutenant, an avowed Communist, who admitted attempting to commit sabotage upon the *Akron*, is a free man. He may be in this country at the present time, due to the fact, largely, that we have no Federal law that will deal with such a situation.

Now, what happens in far-away Russia? When they think there is any sabotage going on in any industry, they reach out and grab about 30 men, and then give them the third degree, and execute them. That has been done repeatedly for years past. Even now Great Britain is breaking off her trade relations and possibly her diplomatic relations with Soviet Russia because her spokesman in the foreign office says that they know that they cannot get a fair trial for their citizens in Soviet Russia. But when a Communist, or, as I believe in this case, an alien Communist comes here and practices sabotage against an airship, in order to destroy not only that which will become the property of the Government, but the lives of our officers and enlisted men in the Navy he escapes scotfree. I do not want you to take my word for it or the word of the distin-



guished gentleman from Michigan [Mr. WOODRUFF], but I want this report made by those two agents of the Department of Justice, at the risk of their lives, made public immediately. They actually had to go into Communist meetings; and when they finally quit, it was because some of the Communists got suspicious and called a special meeting and wanted them to come there and show their Communist cards and prove that they were bona-fide Communists, and so they had to quit. I want to show you that the same thing can happen in this country again as we have no Federal laws to punish such offenses. They can sabotage other airships and get away with it. Is it not about time the Committee on the Judiciary, which hastened to report the secrecy code bill the other day, reported the Jeffers or Tarver bill, similar to the old Eslick bill that gives the Department of Justice some power to investigate Communist activities in the United States of America? The Department of Justice has had no right whatever to investigate any revolutionary or any Communist activities at all since 1925. I am not asking for a restoration of the Espionage Act or the right to raid and arrest. I am against it. I simply want some power given to the Department of Justice, which every civilized government has placed in some executive department, to investigate and keep in contact with these revolutionary activities, whether it is sabotage or whether it is aimed to overthrow the Government by force and violence. There is no such power at the present time.

In the last session the Eslick bill was reported out and a rule was obtained, but it was never brought up in the Congress. That bill simply gives the Department of Justice the right to investigate. One of the reasons the Department of Justice kept this entire report under cover was because they did not have the right to investigate that sabotage. They took it upon themselves, on the basis that the airship *Akron* in course of construction may become Government property in the future. They have the right to protect Government property, but they said, "This may become Government property, and we will take a chance and send out these two agents." They did not have the real right, and therefore they were disinclined to make this report public. That was 2 years ago. I am not making any charges that the destruction of the *Akron* was due to the sabotage of Paul Kassay or some other Communists who joined with him, because I believe the constructing company found out and remedied most of the damages. Probably whatever he tried to destroy was made good. I assume that to be the fact. However, some of the defects and sabotage may have never been discovered and have been a contributing factor in the collapse and destruction of the *Akron*. I want it clearly understood that the report should be made available to the public and the agents called to testify. They are subject to call by this House or any committee of this House. I hope that next week those agents will be invited to testify before whatever committee is created to look into the matter and that the people of America will be given all the facts and will know how to deal with future legislation aimed at sabotage and to prevent it in the future. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from New York [Mr. FISH] has again expired.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### DECREASE OUR WANTS OR INCREASE OUR MEANS

Mr. PATMAN. Mr. Speaker, Benjamin Franklin is credited with this wise saying, that we must either decrease our wants or increase our means. That is the condition our country is in today. The people of this Nation are accustomed to a high standard of living. They are accustomed to all the comforts and conveniences of life. In order for that high standard of living to be maintained we must do what Franklin said was necessary to be done, increase the means of the American people.

#### EVERY BUSINESS GOES DOWN WITH THE FARMERS

If you deflate this country to present levels, you will cause more misery, poverty, and distress. May I invite your attention to the fact that the national income, which is the means of the people of this Nation, goes right along with the purchasing power of the farmers of this country. During the year 1929 the farmers of this Nation sold all their commodities and products on the market for \$10,000,000,000. During that same year the national income of all the people of this country amounted to \$85,000,000,000. The next year, 1930, the value of commodities that were sold by the farmers, although practically the same amount was produced, decreased from \$10,000,000,000 in 1929 to \$7,800,000,000 in 1930. Remember, during the same year the national income of the people of this Nation was reduced from 85 billion in 1929 to 71 billion in 1930.

#### ALL GO DOWN TOGETHER

You will notice that as the purchasing power of the farmer is destroyed, the national income of all the people of this Nation is destroyed. In 1931 the farmers only received \$5,500,000,000 for everything they produced, only half as much as in 1929, although they produced practically the same amount. In the same year, 1931, the national income was reduced to \$54,000,000,000.

#### LOWER STANDARD OF LIVING NOT WANTED

In 1932 the farmers only received \$4,000,000,000 for what they produced, which was practically the same amount as in each of the 3 preceding years, and the national income, the people's means, was reduced to \$37,500,000,000.

I want to put side by side in the RECORD the farmer's income in the past 4 years and the national income the last 4 years:

	Farmers crops	National income
1929.....	\$10, 100, 000, 000	\$85, 200, 000, 000
1930.....	7, 800, 000, 000	71, 000, 000, 000
1931.....	5, 500, 000, 000	54, 000, 000, 000
1932.....	4, 000, 000, 000	37, 500, 000, 000

As the purchasing power of the farmer decreased, the purchasing power of all the people of the Nation decreased. Buying power of the farmer must be restored in order that the buying power of all the people may be restored. If you want the people of this Nation to maintain the high standard of living they are accustomed to maintaining, you must do what Benjamin Franklin said, increase the means of the people; either increase their means or decrease their wants. You do not want a lower standard of living. You do not want the people to decrease their wants. If you do not, you must increase their means. One way to do this is to start with the farmers and increase their purchasing power. As their purchasing power is increased the national income is increased, and the purchasing power of all the people is increased. The farmers can then buy what the manufacturer produces, and the wage earners can buy what the farmer has to sell. No section and no class, except the privileged class, can prosper alone. Generally, we must all prosper together or we cannot prosper at all.

#### DEFLATION MUST BE ARRESTED

We have deflation going on right now. There is no inflationary movement in this country. There is no movement that could be construed as an expansion of the currency movement. During the last month we have had banks closed holding deposits of the people amounting to \$6,000,000,000. This is equal to a \$72,000,000,000 deflation in a year, because the money and credits are turning over about 12 times a year. During the last 3 weeks the Federal Reserve banks have taken out of circulation more than \$1,000,000,000 of actual money, which has caused additional deflation of \$12,000,000,000 a year. This is a deflation of \$7,000,000,000 in actual money and credits during the last 4 weeks, which will equal a deflation of \$84,000,000,000 in a year. Money and credit are not helpful to the people unless it circulates.



## PRICES OF GOVERNMENT BONDS INDICATE DEFLATION OR INFLATION

Let me invite your attention to the fact that those who control and always will control our monetary system, unless its present set-up is radically changed, are the men who largely control the Government bond market. Watch the United States Government bond market. Whenever you see United States Government bonds going up, you can take that as an indication of a deflationary movement. Why? The man with money in his possession desiring to invest it wisely will have the promise of receiving annually \$4 per \$100 on a 4-percent Government bond. If he thinks there is going to be deflation, he will want that bond because the \$4 will purchase so much in commodities and services that will go down in price. If he thinks there is going to be inflation, he wants something that will pay a higher interest rate, because commodities, wages, and services will increase in price. Therefore he sells Government bonds and invests in something that will pay a higher interest rate, because prices of commodities are going to increase.

If you want to know whether to expect a period of deflation or inflation, watch the United States Government bond market, and you may find a very strong indication. There is nothing now to indicate an expansion of the currency. I hope the time will come in the very near future when Congress can give more time and attention to the currency and credit problem.

## INTEREST ON GOVERNMENT BONDS SHOULD BE ELIMINATED

I heard the gentleman from Illinois [Mr. PARSONS] make a very interesting statement here this morning, that he believed the interest rate on Government bonds should be reduced to 2 percent, that we now have outstanding \$21,000,000,000 of Government securities and that we could save something like \$274,000,000 a year in this way. May I suggest in this connection something not generally understood: Although we have outstanding \$21,000,000,000 in Government bonds, the United States Treasury holds a large amount of securities to offset these bonds. A large part of this money was loaned to foreign countries. It was loaned to railroads, to insurance companies, and to banks. Today if the Government of the United States were paid every penny that is due on the bonds it holds of foreign Governments, the bonds of railroad companies, banks, and insurance companies, our national debt would not be \$7,000,000,000. So there is an offset to a large part of this debt.

## GOVERNMENT INTEREST RATE

But now to go back to the question of reducing the interest rate, a few days ago the Secretary of the Treasury wanted to borrow \$100,000,000, and this money has been loaned to this Government for an average rate of interest of about 1 percent, or \$1 for the use of \$100 for 1 year, although it was borrowed for 90 days. There is no reason why the Government should pay 2 percent interest. There is no reason why the Government should pay one penny of interest.

## GOVERNMENT'S IDIOTIC SYSTEM OF PUTTING MONEY INTO CIRCULATION

Let us go back and analyze for a moment the policy of this Government in regard to the borrowing of money. When the Government wants to borrow \$100,000,000, the Government issues bonds and sells these bonds to the Chase National Bank, the National City Bank, or other banks and gets credit for them. It then permits the banks buying these bonds to bring them right back to Washington and put them in the vault of the Treasury of the United States and return to New York with \$100,000,000 in new money, except 5 percent of any kind of money—not necessarily gold—to be used as a redemption fund for the money. At the same time the banks are using this money they get interest on the deposited bonds. This makes a double obligation of the United States Government. Why do indirectly what can be done directly? We can save the Government \$725,000,000 a year in interest by issuing the currency directly instead of issuing bonds and then issuing the money upon the bonds as security. The country would be helped

more if this \$725,000,000 a year were scattered all over the Nation rather than received by a few holders of Government bonds.

## PAY OFF NATIONAL DEBT WITH NEW MONEY

The United States Government could today safely pay every dollar of its indebtedness with the same kind of money that was turned out by the printing presses here a few days ago to let the banks have when the banks were in distress, money that will be an obligation against our Government exactly like the bond that is now held by the bondholder. The only difference is that the bond bears interest and the money would not bear interest.

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

## WOULD NOT BE TOO MUCH MONEY

Mr. PATMAN. The argument will be made that there will be too much money if we do this. Let us see. From a table prepared by the National Industrial Conference Board I have the information that in 1880 more than 44 percent of the deposits was real cash or money in circulation, while in 1930—50 years later—only 8 percent of the deposits was real cash or money in circulation. During this 50-year period the deposits in banks increased 25.9 times. If the money had increased in the same proportion, we should have \$24,864,000,000 in circulation today instead of having about one fifth that amount. The argument will be made that a large part of our business is done on credit. It was true at one time about nine tenths of the business of the country was done on checks and credit. That is not true now. Fewer people are doing business with banks today than in many years prior to this time. A service charge is being entered against small accounts; this drives deposits away. Each check is taxed; this drives deposits away. Lack of confidence has caused many people to quit the banks. Not being able to secure credit, even on good security, has driven the people away from the banks. The banks were afraid to loan money because they already owed the people about 20 times as much as they had money to pay with. We have been suffering from a currency famine. Something must be done to put money all over this Nation so the people can put it in the banks and make depositors money safer and credit easier to obtain.

## CURRENCY FAMINE—BANKS AND COUNTRY NEED MORE MONEY

If you were to close all the banks in America today and go into their vaults and take from those vaults every penny in them you would not find \$45,000,000,000, the amount of money the banks owe the people on their deposits; no.

You would not find one half, or even one tenth, of that amount. You would find but \$700,000,000, which is less than \$1,000,000,000, and yet the banks owe the people \$45,000,000,000 of deposits.

Can any institution on earth function efficiently and safely with so little money in proportion to such a large amount owed to the people who are doing business with these institutions? If you were to put \$20,000,000,000 in circulation today, this money would go into the banks of this Nation. It would go into the small banks, the State banks, as well as the Federal Reserve banks. It would be used as a basis for additional credit and then they would not be doing business on such a slender shoestring that they would have to close up every time some large depositor threatened to withdraw his funds.

## THE FUNDAMENTAL QUESTION

I am very glad that other people are interested in this money question. I think it is the question that will solve all others. It is the fundamental question, because money sets the price of everything. They tell you that the price of cotton and wheat is determined by the law of supply and demand. Yes; it is, taking into consideration the law of supply and demand of money as well as the law of supply



and demand of wheat or cotton. Money controls the price of labor and controls the price of all commodities, and if you want to bring this country back I seriously urge your further consideration of this question.

Mr. TERRELL. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Texas.

Mr. TERRELL. I should like to ask the gentleman a question about the Government issuing money. The Government now issues a bond and pays interest on that bond. If it would issue the same amount in currency, without any interest, could it not redeem that money at a future time with the same taxes it has to levy in order to redeem the bond?

#### DIFFERENCE BETWEEN THE GOVERNMENT ISSUING MONEY AND INTEREST-BEARING BONDS

Mr. PATMAN. The gentleman is exactly right. Let me analyze the difference between them. If you issue money, that money will remain in circulation and nobody will be paying interest on it. It may be redeemed in the future with the same taxes that would redeem the bonds; it would not require so much in taxes, because no interest would be required on the money. No one, not even the Government, will be paying a penny of interest while the new money is outstanding. Money is an obligation of the United States Government, backed by the assets and taxing power of this Nation. All right; suppose you issue a Government bond. It is a noncirculating Government obligation. It is an interest-bearing obligation. The only difference is one is a bond, a noncirculating Government obligation, and the other is a circulating Government obligation; one bears interest and the other does not bear interest; and if one is safe and sound the other is safe and sound.

Mr. CANNON of Wisconsin. Will the gentleman yield for a question?

Mr. PATMAN. I yield to the gentleman.

Mr. CANNON of Wisconsin. Does the gentleman know there is a bill before the Ways and Means Committee now to call in all Treasury bonds, all outstanding Liberty Loan bonds that have been issued since the war, with a direction to the Treasury to issue money to pay these bonds and save the Government \$523,000,000?

Mr. PATMAN. I did not know that such a bill had been referred to that Committee. If such a bill is passed, it will save the Government \$725,000,000 annually.

Mr. CANNON of Wisconsin. Would the gentleman be in favor of such a bill?

Mr. PATMAN. I shall be very glad to appear before the committee in support of such a bill. I believe that we have an unanswerable argument in favor of such a proposal.

Mr. CANNON of Wisconsin. I have such a bill introduced.

Mr. PATMAN. I am thoroughly convinced that can be done. Why allow these banks to do business and owe the people \$45,000,000,000 and only have \$700,000,000 in cash to pay it with?

[Here the gavel fell.]

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to proceed for 2 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. They say they can go to the Federal Reserve and get more money, but they only have about \$2,000,000,000 more there, so the amount is insignificant compared with the amount they owe the depositors. Only about one third of the banks do business with the Federal Reserve System; the other two thirds, including most State banks, have no connection with the Federal Reserve System. There is only one way for us to have a good, safe banking system in this country. Backed by the Government, as it is today, it is safe because the resources of this Nation are behind the banks through the Reconstruction Finance Corporation; but whenever the Government releases its control, it should provide these banks with sufficient money to operate and do business on. If they do not, the people's money will not be safe in all of them, and we do not want that condition to occur again. [Applause.]

#### CREDIT OF NATION USED TO BENEFIT FOREIGNERS

Every day since January 1, 1932, and long prior to that time we have had outstanding in foreign countries from \$228,000,000 to \$300,000,000 in Federal Reserve bank obligations which are guaranteed by the United States Government. This money is based on goods stored in foreign countries or shipped between foreign points. The German merchant sells goods to a Japanese merchant, underselling the American exporter; he draws his draft payable in American dollars and delivers it to a Federal Reserve bank in America and receives Federal Reserve notes. The goods never touch the United States; they are sold in competition to American goods. We finance them because our international bankers make money out of such transactions by using the credit of this Nation free of charge. It is wrong and it should be stopped. It is bad enough for our own bankers to use the credit of this Nation without charge and doubly bad that foreigners are allowed to use it at all in competition with our own people.

#### INTERNATIONALISM

If international bankers are not restrained in their activities they will not only cause more economic hardships in this country but there is a probability that they will get our Nation into war to fight for what they conceive to be their rights in foreign countries. Now is the time to call a halt.

Mr. WEIDEMAN. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WEIDEMAN. Mr. Speaker, about a week ago I appeared in the well of this House and laid before this body the condition of the city of Detroit. I said it was bad. I quoted some figures, but I made a mistake. I said there are 200,000 unemployed who are dependent solely upon welfare for their food and shelter. I made a mistake of just 100,000. I talked with the mayor of the city of Detroit this week and I find there are 300,000 people dependent upon public charity for their daily bread.

Mr. PARSONS. Will the gentleman yield?

Mr. WEIDEMAN. I yield.

Mr. PARSONS. The gentleman has in his city of Detroit one who is known all over the country as a great philanthropist, Mr. Henry Ford. I am wondering how much he is subscribing to the relief and welfare work of the city of Detroit for the benefit of these people.

Mr. WEIDEMAN. I cannot tell the gentleman how much Mr. Ford has subscribed, but I will say this to the gentleman from Illinois: While the other manufacturers were cutting wages, Henry Ford kept his up; while the other manufacturers were laying off men right and left, I believe he lost \$50,000,000 keeping his plant open. Let me tell the gentleman that the people of Detroit admire Mr. Ford for many of the things he has done. We do have some manufacturers there that starve the people and crush them by paying starvation wages, and they are the people that I want to bring to the attention of this House.

I also want to bring to your attention the fact that on the 31st of March I wrote a letter to Mr. Jones, of the Reconstruction Finance Corporation. When the banks closed in Detroit there was \$2,800,000 of public welfare or relief money in the banks, and here we are with the spectacle of the Government appointing a conservator of a bank, the Government running it, and having \$2,800,000 of welfare money for the city of Detroit on deposit, and yet that money is tied up in the banks with a Government conservator in charge and the people starving.

The condition is getting desperate. I have just been informed over long-distance telephone that welfare workers are informing recipients of welfare that by Saturday of this week all aid will be discontinued unless Federal aid is granted to Detroit; and still the people of the city of Detroit cannot get the ear of the men in your Treasury Department or in your Reconstruction Finance Corporation.

#### RED MENACE HERE

You heard much discussion on the floor today of the red menace. The menace of communism is not in Russia but



here. Hungry stomachs and emaciated children will make more Communists in a day in America than all Russia can make in 10 years.

I agree with the gentleman from New York that there is a red menace, but it is not the red menace of Russia. The red menace is here. If the starving people of the city of Detroit ever reach a state of despair you will have more menace in 1 day than Soviet Russia ever made in 10 years. [Applause.]

I wish my friend from New York, who is so interested in communism, would become interested in Wall Street. Then he will want to have an investigation of Wall Street. You have heard about all kinds of investigations of these calamities, such as the destruction of the *Akron*. This calamity that occurred the other day is not a drop in the bucket compared to the calamity caused by the breakdown of our economic system. Of course, I take my hat off to those heroes of the *Akron*, but I am more interested in the little children in our land who have been starving through no fault of their own. Mr. Speaker, I ask unanimous consent to insert in my remarks a letter that I wrote to Mr. Jones, Chairman of the Reconstruction Finance Corporation, and to which I have not yet received the courtesy of a reply.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The letter is as follows:

MARCH 31, 1933.

Mr. JESSE H. JONES,  
Chairman Reconstruction Finance Corporation,  
Washington, D.C.

MY DEAR MR. JONES: I have just been informed by numerous citizens of the city of Detroit that due to the tying up of certain funds of the city, by the closing of banks, which were to have been used for welfare relief work, tens of thousands of men and women and children are actually suffering from lack of food.

Without taking any position and regardless of the banking situation of the city of Detroit, and without determining which group is right or wrong in the local fight concerning the reorganization of banks, I am asking you to become interested in the sorry plight of these numerous citizens of Detroit and to release immediately further moneys, to be deposited for the use and benefit of the city of Detroit so that it can carry out this relief work and keep the citizens from actual starvation.

This is no time to quibble. People are actually starving in Detroit, and I fear the consequences unless something is done immediately in the way of aid to these sorely distressed people.

If necessary, I think you should disregard all rules and regulations and red tape to release this money. Hungry mouths know no technicality. I implore you to assist me in this measure and to help our city immediately.

Will you kindly let me know if you can release money immediately? If you cannot release money now, will you give me your reason therefor; and lastly, if aid is not coming at this time, advise me when we may expect aid in Detroit.

My dear Mr. Jones, to bring the seriousness of this matter to you, you could probably realize the actual suffering and want if you and your children, in order to secure enough food to live on, were compelled to become a scavenger and travel from garbage pail to garbage pail as hundreds in our city are doing in Detroit today.

I therefore implore you to release money to the city of Detroit so our people may receive enough food to keep them from starving.

I am at your service.

Sincerely yours,

CARL M. WEIDEMAN,  
Member of Congress.

#### CITY WORKERS KNOW WHAT REAL HUNGER IS

Mr. WEIDEMAN. You cannot realize these conditions. The conditions are too far away from Washington for you to realize it. Why, the farmers do not know what hunger is. All they have to do is to take the potatoes that they get from their land, from the pits, and go to their pork barrel and get their meat supply. The city worker is hungry when he is unemployed; he has no food reserve.

I asked the Reconstruction Finance Corporation to advance money to the city of Detroit that they have refused to let us use, but they will not advance it until the State appropriates money for the highway fund. The highway fund has been depleted, and we can do nothing. I am making this statement on the floor of the House so as to get it in the RECORD in the hope that it will reach them. All this Reconstruction Finance Corporation has to do is to re-

lease these moneys so that our people can get food and save them from actual starvation.

I hope the time will never come when these conditions will apply to their own families. If they do, God help them! [Applause.]

[Here the gavel fell.]

Mr. BLANTON. Mr. Speaker, I ask unanimous consent to proceed for 5 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. BLANTON. Mr. Speaker, our good friend, the gentleman from New York [Mr. FISH], in the Seventy-first Congress was chairman of an investigating committee holding hearings for months in different parts of the United States to investigate communism and communistic activities in our country. I was with him, behind him and backing him in all that work. He now for the first time tells us here on the floor this morning that 2 years ago he read the investigation our Department of Justice made upon sabotage of the *Akron*. I have been wondering ever since he made that statement why he, as the chairman of that committee on investigation, has let 2 long years elapse without telling us about it. Why did he keep that information wrapped up in his bosom for 2 long years? I cannot understand it.

The gentleman does not have to go to the place where sabotage occurred on the *Akron* to find sabotage against the Government of the United States. It occurred right here in Washington recently on one of the Government buildings now being built by the taxpayers' money. The communists set fire to a Government building under construction here and caused damages running between \$50,000 and \$100,000 to it. Just what has been done to apprehend and punish them? We do not know now whether that building will ever be in first-class shape hereafter. We will spend lots of money to repair it, but there will always be a question mark there about whether or not we have safely repaired it. I want this Government to have facilities adequately sufficient to apprehend, confront, and capture every enemy of good government and punish him by law.

I took the floor, however, to answer my good friend from New York [Mr. BLACK], who criticized the passage of the bill put through here by the Judiciary Committee the other day, with only a few votes against it. The business here in the House is so voluminous that we Members must depend largely upon committees. When a responsible committee brings in a bill unanimously I take it for granted that it must be a good bill, until I have time to study it and find to the contrary.

I was here during the war. I saw Hal Flood, of Virginia, who was chairman of a big committee, bring in bill after bill on this floor and say, "There is an emergency for this bill, and we want you to take our word for it", and we voted for bill after bill of that kind just because of the confidence we had in Hal Flood and his committee.

Any Member could have gone to the Judiciary Committee and found out exactly what the committee knew about the measure. You can go to any committee and find out everything that the committee knows about a bill, if you have an inquiring mind and energy enough to do it.

Let me call attention to the personnel of the Committee on the Judiciary: HATTON W. SUMNERS, chairman; ANDREW J. MONTAGUE, a former Governor of Virginia; Judge McKEOWN, of Oklahoma, who used to be on the circuit bench down there; Judge GORDON BROWNING, of Tennessee; EMANUEL CELLER, of New York; FRANK OLIVER, of New York; W. V. GREGORY, of Kentucky; MALCOLM C. TARVER, of Georgia; FRANCIS B. CONDON, of Rhode Island; ZEBULON WEAVER, of North Carolina; JOHN E. MILLER, of Arkansas; ARTHUR W. HEALEY, of Massachusetts; WARREN J. DUFFEY, of Ohio; JAMES E. RUFFIN, of Missouri; LAWRENCE LEWIS, of Colorado; and JOHN C. LEHR, of Michigan. They comprise the majority, or Democratic, members of the committee. Here are the minority, or Republican, members of the com-



mittee, all distinguished men: J. BANKS KURTZ, of Pennsylvania; CASSIUS C. DOWELL, of Iowa; RANDOLPH PERKINS, of New Jersey; JOSEPH L. HOOPER, of Michigan; U. S. GUYER, of Kansas; CLARENCE E. HANCOCK, of New York; JAMES M. BECK, a former Solicitor General of the United States, of Pennsylvania; and WILLIAM E. HESS, of Ohio. I deem such a committee a responsible one of the House.

That bill came upon this floor with the unanimous report from that committee—not a single line of protest against it, not a minority report against it. Should not Members have a right to presume that the bill was a good bill and was necessary when we were so assured by the committee? I voted for it because of my confidence in the personnel of that committee. We were not given time to make a personal investigation of it.

The largest committee in this House has 35 members. It is the only one of that number. The largest other committees have 25 members. I am here to say without fear of contradiction, concerning practically every bill that comes before the House, that there are not 10 percent of the Members of the House who know all about it.

Mr. BLANCHARD. Mr. Speaker, does the gentleman think that we would have passed that bill if we had taken a little time to consider it?

Mr. BLANTON. I do not know. I am not yet sure that it is a bad bill. I am one of those who are not absolutely controlled by the press. I am with the press when I think they are right, but I am against them when I think they are wrong. There has been a great howl from the press about this matter. Sometimes the press, in its zealous endeavor to put news before the country, obstructs justice. Is there a man in this House who will get up now and deny that the press obstructed justice in the Lindbergh kidnaping case?

If they could have just held back awhile, and have left Colonel Lindbergh unmolested and unhampered, there probably would have been justice done in that case immediately. They kept up such a stir and hurrah, and interposed obstacles in the way of those who were trying to bring the guilty to justice, that it was a great hindrance to justice, and not a help.

The President has not said this bill is a bad bill. All he said was, "I am against muzzling the press improperly." I am against muzzling the press. I am in favor of a free press and free speech, but there are times when it is necessary to muzzle the press. There are times when a judge on the bench has to call the members of the press in and say, "In this particular case I am going to have to ask you boys not to publish this proceeding." There are instances when that is necessary, and in most of those instances the press boys respond readily and act with accord. Sometimes they do not, and sometimes they get into trouble.

Is there a man here who will get up and deny that we must depend upon committees? Is there a man who will get up and say that more than 45 Members know all about every bill that comes before this House? No. Forty-five Members constitute 10 percent of our personnel. Not one of us will say that over 45 Members know all about the bills we pass. Therefore we must depend largely upon committees.

The SPEAKER pro tempore. The time of the gentleman from Texas has expired.

Mr. SHANNON. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri [Mr. SHANNON]?

There was no objection.

Mr. SHANNON. Mr. Speaker, apropos of what is being said here, I wish to discuss the importance of this House's being given an opportunity not only to deliberate but to offer amendments to propositions brought before it. Only 2 weeks ago we were urged to pass what is known as the "farm relief bill." To be exact, it was reported on the 20th, and under a suspension of the rules it was brought before this body on the 22d. We were told that the emergency was so great that if we delayed it for a day we were doing a great harm to someone somewhere.

We were told that the Administration was clamoring for it and demanding it. It was railroaded through. The point that I make is that our committee did this. The gentleman from Texas [Mr. BLANTON] talks about relying on the committees. This particular committee, the Committee on Agriculture, I understand, refused to hear any witnesses who came to this Capitol to be heard on the farm relief bill, save and except those who were in favor of it. That committee denied hearings to anyone else. It brought the measure in and it was passed under suspension of the rules, which denied to the Members of this body an opportunity to offer amendments. We were merely permitted to vote "yes" or "no" on the measure in the form in which it was presented, and then we were given that great privilege of extending our remarks in the RECORD. I say to you it is such procedure as this that makes this House ridiculous.

A great Georgian, Alexander Hamilton Stephens, on an occasion said that Monday was resolution and humbug day in the Congress of the United States, meaning the Lower House. I enlarge upon Mr. Stephens' statement. I say that every day, on which proceedings of the nature I am speaking about are had, is humbug day.

Let me call attention to this: The farm relief bill, which was so summarily rushed through this House, is still in the Senate. It has now been there over 2 weeks, and should it be amended, as it probably will be, it will be at least 3 weeks before the measure is returned to this House. I want to say that something is wrong with this parliamentary procedure. Either the House is unduly hasty in passing measures, or the Senate unduly retards their passage. I believe the Senate's procedure is correct.

I insist that this House should preserve its self-respect, and permit no committee, no matter what committee it may be, to bring a measure in here and say, "You have got to pass it as it is, without right of amendment."

Thank God, the Congress of the United States has one deliberative end where the rights of the people are recognized, where witnesses are heard, and where bills are discussed and amended. I would fear for this Republic if it were not for the Senate of the United States, where care is exercised in the passage of measures of this kind. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Missouri [Mr. SHANNON] has expired.

#### 5-DAY WEEK AND 6-HOUR DAY

Mr. DIMOND. Mr. Speaker, I ask unanimous consent to insert in the RECORD a telegraphic copy of Senate Joint Resolution No. 4 of the Alaskan Territorial Legislature, adopted on the 3d day of April, with reference to House bill 2867, which is now H.R. 4557, concerning the 5-day week and 6-hour day.

The SPEAKER pro tempore. Is there objection to the request of the Delegate from Alaska?

There was no objection.

The telegraphic copy is as follows:

JUNEAU, ALASKA, April 4, 1933.

ANTHONY J. DIMOND,

Delegate from Alaska, Washington, D.C.:

The following memorial passed both houses unanimously today:  
IN THE SENATE.

#### Senate Joint Memorial 4

By committee on mines, manufacturing, and labor

In the Legislature of the Territory of Alaska, eleventh session  
To the President of the United States, to the Congress, and to the Committees on Labor in the House and Senate of the Congress of the United States:

Your memorialist, the Legislature of the Territory of Alaska, has learned with consternation that Alaska is included in the provisions of a bill introduced into the Congress of the United States by Representative CONNERY known as "House bill No. 2867" and your memorialist respectfully represents:

That more than 95 percent of all laborers in Alaska are employed in seasonal occupations and that the average working hours for the year do not exceed 4 hours per day; that more than 25,000 of these laborers are engaged in the fishing industry, covering a coastal distance of more than 3,000 miles; that fishing operations in Alaskan waters are, by regulation of the Bureau of Fisheries, arbitrarily limited to a period less than 60 days for each season, which obliges the fishing industry to concentrate the year's effort within that short period, involving the production



of some \$50,000,000 worth of fishery products; that 80 percent or more of the revenues of the Territory are derived from the fishing industry; that many of the companies have operated at a loss for the past 2 years, and the enactment of the proposed legislation would compel them to discontinue operations, and the Territory of Alaska would be bankrupt and unable to support its schools, dependents, and indigent persons, and to continue other essential activities;

That more than 6,000 laborers are engaged in placer-mining industry in Alaska, covering an area of 590,000 square miles. This work is also seasonal and laborers are employed not more than 120 days during the year; most of the mining is carried on by individuals or small companies in isolated places who employ less than 10 persons each and it would be impossible for them to continue mining under the proposed schedule;

That the remaining wage-earners not exceeding 2,000 persons are engaged in lode mining and other industrial pursuits throughout this vast Territory and their employment does not exceed an average of 50 hours per week;

That workmen who are engaged in seasonal vocations will be deprived under the proposed law of the employment to make it possible for them to sustain themselves and their dependents and will be forced to leave the Territory and seek employment elsewhere;

That the extension of the proposed enactment to the Territory of Alaska would be ruinous to our industries, our canneries would be compelled to cease operations, most of our mines would be closed, unemployment would be greatly increased, and our Territory reduced to a state of bankruptcy and our people to want.

Now, therefore, your memorialist, the Legislature of the Territory of Alaska, in the eleventh regular session assembled, most humbly and respectfully petition and prays that the Territory of Alaska be exempted from the operations of House bill No. 2867 and all similar legislation limiting the hours or days during which any industry in Alaska may operate.

And your memorialist will ever pray.

ALLAN SHATTUCK, *President of Senate.*  
JOS. McDONALD, *Speaker of House.*

#### TERMS OF OFFICE OF THE PRESIDENT AND VICE PRESIDENT OF THE UNITED STATES AND MEMBERS OF CONGRESS

The SPEAKER laid before the House a communication from the executive department of the State of Oregon announcing that that State had ratified the twentieth amendment to the Constitution of the United States.

#### BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on April 5, 1933, present to the President, for his approval, a bill of the House of the following title:

H.R. 3342. An act to provide revenue for the District of Columbia by the taxation of beverages, and for other purposes.

#### ADJOURNMENT

Mr. BYRNS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 29 minutes p.m.) the House, pursuant to its order previously entered, adjourned until Monday, April 10, 1933, at 12 o'clock noon.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. SABATH: Committee on Rules. House Resolution 98. Resolution providing for the consideration of House Resolution 59, a resolution to provide for further investigation of expenditures of the Post Office Department; without amendment (Rept. No. 28). Referred to the House Calendar.

#### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. WOODRUFF: A bill (H.R. 4738) to amend sections 392, 393, and 394 of title 18, United States Code, relating to interstate and foreign commerce in wild animals and birds, and for other purposes; to the Committee on Agriculture.

By Mr. OLIVER of New York: A bill (H.R. 4739) to amend the naturalization laws by conferring upon judges of State courts empowered to naturalize aliens the right to designate naturalization examiners to conduct preliminary hearings and to authorize said courts in their discretion

to hold final hearings on petitions without the necessity for the attendance of the witnesses of the applicant; to the Committee on Immigration and Naturalization.

By Mr. WOODRUFF: A bill (H.R. 4740) applying the powers of the Federal Government under the commerce clause of the Constitution to aid the States in the suppression of racketeering and gangster activities; to the Committee on the Judiciary.

By Mr. OLIVER of New York: A bill (H.R. 4741) to amend the Immigration Act of 1924; to the Committee on Immigration and Naturalization.

Also, a bill (H.R. 4742) to provide a judicial method of trying charges against postal employees; to the Committee on the Post Office and Post Roads.

By Mr. AYERS of Montana: A bill (H.R. 4743) to repeal section 1001 (a) of the Revenue Act of 1932, and to restore the 2-cent postage rate on first-class mail matter; to the Committee on Ways and Means.

By Mr. DINGELL: A bill (H.R. 4744) extending the classified civil service to include special-delivery messengers; to the Committee on the Civil Service.

By Mr. GRANFIELD: A bill (H.R. 4745) to provide relief for the substitutes in the Postal Service; to the Committee on the Post Office and Post Roads.

By Mr. CONNERY: A bill (H.R. 4746) to provide for the construction of a post-office building at Revere, Mass.; to the Committee on the Post Office and Post Roads.

By Mr. McFADDEN: A bill (H.R. 4747) to establish economic liberty in the United States of America, and for other purposes; to the Committee on Banking and Currency.

By Mr. CONNERY: A bill (H.R. 4748) to require contractors and subcontractors for the erection of public buildings or the performance of other public work for the United States or the District of Columbia to file statements under oath of wages paid, hours of labor, etc., and for other purposes; to the Committee on Labor.

By Mr. SABATH: Resolution (H.Res. 98) providing for the consideration of House Resolution 59, a resolution to provide for further investigation of expenditures of the Post Office Department; referred to the House Calendar.

By Mr. DINGELL: Resolution (H.Res. 99) requesting the Speaker of the House of Representatives to authorize the Committee on Accounts to order a supply of beer to be available for sale in the House restaurant during business hours; to the Committee on Accounts.

By Mr. McLEOD: Concurrent resolution (H.Con.Res. 14) requesting the President to inform the German Government of the opposition and disapproval of the American people of the denial of fundamental and inalienable rights to racial and religious minorities; to the Committee on Foreign Affairs.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the General Court of Massachusetts, memorializing Congress relative to the persecution of members of the Jewish faith in Germany; to the Committee on Foreign Affairs.

Also, memorial of the Legislature of the State of Wisconsin, memorializing Congress relative to the importance of maintaining and developing the work of the United States Forest Products Laboratory; to the Committee on Agriculture.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AYERS of Montana: A bill (H.R. 4749) granting a pension to Old Coyote; to the Committee on Pensions.

Also, a bill (H.R. 4750) authorizing the Secretary of the Interior to pay E. C. Sampson, of Billings, Mont., for services rendered the Crow Tribe of Indians; to the Committee on Indian Affairs.

By Mr. BOILEAU: A bill (H.R. 4751) for the relief of Irvin W. Walsh; to the Committee on Military Affairs.



By Mr. BURKE of California: A bill (H.R. 4752) granting a pension to C. C. Campbell; to the Committee on Pensions.  
Also, a bill (H.R. 4753) for the relief of George W. Adams; to the Committee on Military Affairs.

By Mr. CANNON of Wisconsin: A bill (H.R. 4754) for the relief of Peter Karampelis; to the Committee on Claims.

Also, a bill (H.R. 4755) for the relief of Ilija Rasheta; to the Committee on Military Affairs.

Also, a bill (H.R. 4756) granting a pension to Carl E. Ziebell; to the Committee on Pensions.

By Mr. CONNERY: A bill (H.R. 4757) granting an increase of pension to John Albert Fritz; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4758) granting a pension to Ellen M. Kilgore; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4759) granting a pension to Mary P. Hall; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4760) granting a pension to Bridget Honohan; to the Committee on Pensions.

Also, a bill (H.R. 4761) granting a pension to Jennie R. Dix; to the Committee on Pensions.

Also, a bill (H.R. 4762) granting a pension to Mary F. O'Brien; to the Committee on Pensions.

Also, a bill (H.R. 4763) granting a pension to Amelia M. Lashua; to the Committee on Pensions.

Also, a bill (H.R. 4764) granting a pension to Bridget M. Kiernan; to the Committee on Pensions.

Also, a bill (H.R. 4765) granting an increase of pension to Abbie J. Parsons; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4766) granting a pension to Myra A. Pennington; to the Committee on Invalid Pensions.

By Mr. CROWE: A bill (H.R. 4767) for the relief of Lloyd Vurl Lahrman; to the Committee on Naval Affairs.

By Mr. DOCKWEILER: A bill (H.R. 4768) for the relief of Jacob Kaufman; to the Committee on Military Affairs.

Also, a bill (H.R. 4769) for the relief of Walter Goulette; to the Committee on Military Affairs.

Also, a bill (H.R. 4770) granting an increase of pension to L. Georgia D. Crane; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4771) granting a pension to Dillon N. Coulston; to the Committee on Pensions.

Also, a bill (H.R. 4772) granting a pension to Jack A. Painter; to the Committee on Pensions.

Also, a bill (H.R. 4773) granting a pension to Wesley B. Kingdon; to the Committee on Pensions.

By Mr. HOIDALE: A bill (H.R. 4774) for the relief of certain claimants who suffered loss by fire in the State of Minnesota during October 1918; to the Committee on Claims.

By Mr. KELLY of Illinois: A bill (H.R. 4775) for the relief of Benjamin F. Gates; to the Committee on Military Affairs.

By Mr. KENNEDY of Maryland: A bill (H.R. 4776) for the relief of Joseph Chapman, husband, and J. Henry Chapman and Roberta L. Chapman, children of Annie Chapman; to the Committee on Claims.

Also, a bill (H.R. 4777) for the relief of Mary A. Cox; to the Committee on Claims.

Also, a bill (H.R. 4778) for the relief of Capt. Walter S. Bramble; to the Committee on Military Affairs.

Also, a bill (H.R. 4779) for the relief of the estate of Oscar F. Lackey; to the Committee on Claims.

Also, a bill (H.R. 4780) for the relief of Moreau M. Casler; to the Committee on Claims.

By Mr. KLEBERG: A bill (H.R. 4781) granting a pension to Mrs. Charles M. Chambers; to the Committee on Pensions.

By Mr. KVALE: A bill (H.R. 4782) for the relief of Robert Templeton; to the Committee on Military Affairs.

Also, a bill (H.R. 4783) granting a pension to Robert Templeton, alias Richard Taylor; to the Committee on Invalid Pensions.

By Mr. LLOYD: A bill (H.R. 4784) to reimburse Gottlieb Stock for losses of real and personal property by fire caused by the negligence of two prohibition agents; to the Committee on Claims.

By Mr. OLIVER of New York: A bill (H.R. 4785) for the relief of Edward Joseph Costello; to the Committee on Military Affairs.

Also, a bill (H.R. 4786) for the relief of James M. D'Arcy; to the Committee on Claims.

Also, a bill (H.R. 4787) for the relief of Mary A. Maher; to the Committee on Claims.

Also, a bill (H.R. 4788) granting a pension to Fredericka Tuttle; to the Committee on Invalid Pensions.

Also, a bill (H.R. 4789) for the relief of Ralph Riesler; to the Committee on Claims.

Also, a bill (H.R. 4790) for the relief of Estelle M. Gardiner; to the Committee on Claims.

Also, a bill (H.R. 4791) for the relief of Frank Bayer; to the Committee on Claims.

Also, a bill (H.R. 4792) to authorize and direct the Comptroller General to settle and allow the claim of Harden F. Taylor for services rendered to the Bureau of Fisheries; to the Committee on Claims.

Also, a bill (H.R. 4793) for the relief of Moses Israel; to the Committee on Claims.

By Mr. WOODRUFF: A bill (H.R. 4794) for the relief of Helen Copeland; to the Committee on Claims.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

366. By Mr. ANDREW of Massachusetts: Resolutions adopted by the General Court of Massachusetts, condemning the persecution of members of the Jewish faith in Germany; to the Committee on Foreign Affairs.

367. By Mr. BOYLAN: Resolution adopted by the New York Board of Trade, New York, N.Y., favoring the establishment of free ports in the United States, and especially one to be located in the port of New York; to the Committee on Rivers and Harbors.

368. By Mr. CULLEN: Petition of the board of managers of the Silk Association of America, Inc., favoring a Federal law, during the existing emergency, forbidding the employment of any person in all industry more than 30 hours per week, such law to take into consideration the comparative competitive position of United States industry with foreign industry; to the Committee on Labor.

369. By Mr. DARROW: Memorial of the Philadelphia Board of Trade, protesting against further retrenchment in appropriations for the Department of Commerce and the maintenance of its commercial attachés in foreign countries; to the Committee on Appropriations.

370. By Mr. DEROUEN: Petition of Love-McFarlane Post, No. 14, the American Legion, Shreveport, La., indorsing and commending the Honorable Claude A. Swanson, Secretary of the Navy, in his intention and policy to endeavor to increase, standardize, and build the Navy of the United States of America to its full-treaty strength as early as possible; to the Committee on Naval Affairs.

371. By Mr. EATON: Resolution of the Board of Chosen Freeholders of the County of Somerset, N.J., opposing the abandonment of the Delaware and Raritan Canal, and in favor of its continued maintenance and operation; to the Committee on Rivers and Harbors.

372. By Mr. ENGLEBRIGHT: Petition of Board of Supervisors of Amador County, Calif., endorsing California State Senate Joint Resolution No. 17 for the stimulation of interest in gold mining; to the Committee on Mines and Mining.

373. Also, petition in the nature of Senate Joint Resolution No. 17 of the California State Legislature, pertaining to the stimulation of interest in development of gold mining; to the Committee on Mines and Mining.

374. Also, petition in the nature of Joint Resolution No. 16 of the California State Senate, pertaining to Senate bills Nos. 5417 and 5607; to the Committee on Irrigation and Reclamation.

375. By Mr. FITZPATRICK: Petition of the Jewish Federation of Yonkers, N.Y., on Thursday, March 30, against the persecution of Jews in Germany by the Hitler regime; to the Committee on Foreign Affairs.

376. Also, memorial of the Senate of the State of New York, that the Congress of the United States be, and hereby



is, memorialized to forbid by appropriate laws the sale in this country of the universal United States of America flag and/or all special United States of America flags or the flags of the various States, dependencies, or Territories, manufactured abroad; to the Committee on Labor.

377. By Mr. KVALE: Petition of the Alumni Association of the School of Agriculture, University Farm, St. Paul, Minn., urging enactment of the Frazier bill; to the Committee on Agriculture.

378. Also, petition of the Currency Study Club, of Willmar, Minn., urging the enactment of the Frazier bill; to the Committee on Agriculture.

379. Also, petition of Currency Study Club, of Willmar, Minn., urging payment of the adjusted-service certificates; to the Committee on Ways and Means.

380. Also, petition of Currency Study Club of Willmar, Minn., urging enactment of legislation providing for stabilization of the purchasing power of the dollar; to the Committee on Banking and Currency.

381. Also, petition of Currency Study Club of Willmar, Minn., urging enactment of the Wheeler bill providing for the remonetization of silver; to the Committee on Coinage Weights and Measures.

382. Also, petition of Farmers' Union Local No. 158, of Clinton, Minn., urging the enactment of the Frazier bill; to the Committee on Agriculture.

383. Also, petition of Tetonka Post, No. 2633, Veterans of Foreign Wars, of Waterville, Minn., urging enactment of the bill for payment of the adjusted-service certificates; to the Committee on Ways and Means.

384. By Mr. LINDSAY: Petition of the Silk Association of America, Inc., New York City, concerning the enactment of Senate bill 158 and House bill 2867; to the Committee on Ways and Means.

385. Also, petition of New York Coffee Roasters' Association, New York City, opposing Senate bill 158, the 30-hour week bill; to the Committee on Labor.

386. Also, petition of the Senate of the State of New York, Albany, forbidding by appropriate laws the sale in this country of the universal United States of America flag manufactured abroad; to the Committee on Labor.

387. By Mr. McCLINTIC: Petition in the nature of a resolution of the Oklahoma Legislature, memorializing the President of the United States and the Congress to create a Cermak memorial, making appropriation for its operation and defining the construction of the same, providing for the handling of the same, naming the agencies through which it shall be carried on, and providing its work; to the Committee on the Library.

388. By Mr. RUDD: Petition of W. W. Abell, Baltimore, Md., favoring an adequate motor horsepower tax per year to relieve the farmers in their present distress—mortgage or other indebtedness—without imposing upon others a tax obligation for which they are not responsible; to the Committee on Ways and Means.

389. Also, petition of New York Coffee Roasters' Association, opposing the passage of Senate bill 158, 30-hour week legislation; to the Committee on Labor.

390. Also, petition of the Silk Association of America, Inc., New York City, favoring the 30-hour-per-week employment legislation during the existing emergency; to the Committee on Labor.

391. Also, petition of the Legislature of the State of New York, favoring legislation forbidding the sale in this country of the universal United States of America flag and/or all special United States of America flags and/or the flags of the various States, dependencies, or Territories manufactured abroad; to the Committee on Labor.

392. Also, petition of J. Charles Laue, executive secretary Consolidated Home Owners' Mortgage Committee, Long Island City, favoring legislation for an immediate, general, and fundamental economic adjustment; to the Committee on Agriculture.

393. By Mr. SEGER: Petition of Abraham Godwin Chapter of the New Jersey Society, Sons of the American Revolution,

opposing recognition of Soviet Russia; to the Committee on Foreign Affairs.

394. By Mr. THOMASON of Texas: Petition of the House of Representatives, State of Texas, urging the passage of legislation authorizing the construction of an additional storage reservoir on the Rio Grande; to the Committee on Irrigation and Reclamation.

## SENATE

FRIDAY, APRIL 7, 1933

(Legislative day of Monday, Mar. 13, 1933)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

### NAMING A PRESIDING OFFICER

The legislative clerk (Mr. Frazier) read the following communication:

UNITED STATES SENATE,  
PRESIDENT PRO TEMPORE,  
April 7, 1933.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. JOE T. ROBINSON, a Senator from the State of Arkansas, to perform the duties of the Chair this legislative day.

KEY PITTMAN,  
President pro tempore.

Mr. ROBINSON of Arkansas thereupon took the chair as Presiding Officer.

### PRINTING OF S. 158

Mr. BLACK. Mr. President, I ask unanimous consent to have S. 158, the bill which was passed on yesterday, printed in the form in which it was passed by the Senate.

The PRESIDING OFFICER. Without objection, leave will be granted.

### RELIEF OF UNEMPLOYMENT

Mr. BLACK. Mr. President, I ask unanimous consent to have inserted in the RECORD a letter from Mr. George A. Hormel, of Minneapolis, who is the chairman of the board of directors of a large packing establishment, explaining his views with reference to the bill passed on yesterday and why it should apply to the packers, together with two articles prepared by Mr. Hormel substantiating his position.

The PRESIDING OFFICER (Mr. ROBINSON of Arkansas in the chair). If there be no objection, the communication and articles will be printed in the RECORD. The Chair hears no objection, and it is so ordered.

The letter and articles are as follows:

APRIL 4, 1933.

Senator BLACK.

United States Senate, Washington, D.C.

MY DEAR SENATOR: I am taking the liberty of enclosing two papers on our unemployment situation, one of which was presented to the President's Organization on Unemployment Relief, Mr. Walter S. Gifford, director, on September 12, 1931.

I have studied the unemployment situation from the beginning and am convinced our Nation is suffering economic disorder because we as employers of labor did not reduce the hours for the measure of a day's work in line with the installation of labor-saving machinery.

I am chairman of the board of Geo. A. Hormel & Co., pork packers, Austin, Minn. The business was started in 1892 as a retail meat market and in the beginning employed three men. Today we have over 2,500 wage earners on our pay roll, and our product is available in nearly every port of the world.

During the development of the business my attention was centered mostly with the men in the plant rather than the men in the office. My success and the success of the business is mostly because of the contributions made by the wage earners in the plant who have devised efficiency methods and in most instances labor-saving machinery and technical handling that resulted in a quality product at a minimum of cost.

My contention is that business America is suffering economic collapse for the reason industry did not share prosperity with the wage earner. Industry did not step up the pay check in line with science and invention. The wage earner is entitled in a larger degree to the comforts and conveniences as well as leisure that invention has made possible.

There is nothing so vital at this time as unemployment relief. Our people have suffered to the limit of their endurance, and every effort should be made to put the 6-hour day into effect as early as possible and provide a minimum wage for men of not less than \$5 and for women not less than \$4, with time and a half for over-